



Transparency Azerbaijan



**“Constitution”
Research Foundation**

FINAL MONITORING REPORT

On the implementation of the “National Anti-Corruption Action Plan 2012-2015”

**This report has been developed by the experts of the
“Constitution” Research Fund.**

Baku – 2016

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The preparation of this report was possible under support of nation of the United States and by means of United States Agency for International Development. This report has been developed on behalf of “Constitution” Research Fund in the frame of “Azerbaijan Partnership for Transparency” (APT) project, implemented by “Transparency Azerbaijan” Anti-Corruption Public Union. Constitution Research Fund bears responsibility for the content and the report does not necessarily reflect USAID’s and US Government’s views.

“Constitution” Research Fund expresses its deep gratitude to all experts, including representative of governmental and non-governmental organizations for their contributions to development of this report. The project staff thanks all employees of “Transparency Azerbaijan” Anti-Corruption Public Union and staff members of the “Azerbaijan Partnership for Transparency” Project. Special thanks go to USAID staff members who provided their valuable and continued support to the APT project.

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I. MONITORING METHODOLOGY

The goal of the monitoring is to provide each stakeholder with independent assessment related to implementation of their aspects of the National Anti-Corruption Action Plan (NACAP). The Monitoring Group described progress and weaknesses in implementation of 124 items of the NACAP and suggested recommendations for more efficient fight against corruption problem in Azerbaijan.

The methodology of the monitoring of the National Anti-Corruption Action Plan for 2013-2015 has been developed by the experts of “Transparency International-Russia” Anti-Corruption Initiatives and Research Center based on the request from “Transparency Azerbaijan” Anti-Corruption Public Union. The methodology was developed for evaluation of each action from 125 areas reflected in NACAP based on the data collected from three different sources:

1) Analysis of open sources (news, official reports and other publicly available information) was conducted to evaluate the status of implementation of each NACAP component. According to the methodology, the experts were supposed to give points to components based on the evidences of the progress made on them. According to “the data collected from the open sources” the following scoring was used: no progress in the implementation was scored – 0 point, evidences of some progress – 1 point, clear evidences on implementation of a concrete action – 2 points, clear evidences of significant progress with additional efforts – 3 points.

2) When possible, inquiries were submitted to evaluate the relevant State bodies’ activities. Based on the references received, the following scoring ranging from 0 to 3 was used: no or negative response – 0, action is implemented fully and

comprehensively – 3. Total 58 inquiries were sent during the monitoring and 54 of them were responded.

3) The same scoring rule was applied to “the data on the results of NGO survey”. In evaluation of certain number of action, 3 points were given for achieving concrete result on the action. For instance, during evaluation of the actions related to “development of rules for anti-corruption expert examination of legal acts”, “development, approval and entering into force of the rules” were given 3 points in addition to the above mentioned scoring. It means that the monitoring could reveal that the rules were discussed, drafted, information on them are given to media and NGOs were informed about them. In such case, implementation of the action could be scored with 6 maximum points. If the rules are approved and entered into force, distinct information about this is available in the open sources, and NGOs are informed about them, then the action might get maximum 9 points. At the same time, the methodology also includes indicators to measure the scope of implementation of some actions.

II. STATISTICAL ANALYSIS

125 measures on NACAP have been grouped on 28 directions. 2 measures are planned to have been completed by 2012, 49 by 2013, 40 by 2014, while 34 are supposed to have been completed by 2015.

# of activities	2012	2013	2014	2015
2				
13				
1				
11				
36				
38				
1				
4				
19				

35 executive agencies have been taken into account on NACAP.

1.	AR Presidential Administration
2.	Cabinet of Ministers
3.	Ministry of Justice
4.	Ministry of Economy
5.	Ministry of Finance

6.	Head Prosecutor's Office
7.	Commission on fight against Corruption
8.	Ministry of Internal Affairs
9.	Ministry of National Security
10.	State Agency for Citizens' Service and Social Innovation
11.	Financial Monitoring Service
12.	Commission for State Employment Services under the President of Azerbaijan Republic
13.	Ministry of Education
14.	Ministry of Taxation
15.	Central Bank
16.	Chamber of Auditors
17.	Chamber of Accounts
18.	State Procurement Agency
19.	State Committee on Property Issues
20.	State Customs Committee
21.	State Committee for Urban Planning and Architecture
22.	Ministry of Emergency Situations
23.	Ministry of Education
24.	State Commission on Student Admission (SCSA)
25.	Ministry of Health
26.	"Bakielektrikshebeke" OJSC
27.	"Azersu" OJSC
28.	"Azerenerji" OJSC
29.	SOCAR
30.	Tariff Council
31.	Ministry of Labor and People's Social Protection
32.	State Migration Service
33.	Judicial-Legal Council
34.	Commissioner for Human Rights (Ombudsman)
35.	The Council of State Support to Non-Governmental Organizations

Just one agency is responsible for execution on 55 out of 124 measures monitored. More than two agencies are in charge of other 69 measures.

Within 3 years and 4 months, average execution indicator of NACAP has been 83%.

Execution on 79 out of 124 measures has been 100%. 2 measures have been implemented more than 83%. Execution of 16 measures has been more than 65%.

20 measures have been fulfilled 50%.

Two measures have been executed on 33%.

5 measures have been implemented on 16%.

Execution of measures in 5 directions has been 100%

NACAP directions		Number of measures	Execution percentage
1	Development of legislative base on fight against corruption	2	100
5	Performance Improvement of Anti-Corruption Department under the Prosecutor-General of the Republic of Azerbaijan	5	100
10	Improvement of Ethic Codex	5	100
16	Upgrading the work on licenses, certification and permits	4	100
26	Developing international cooperation on fight against corruption	3	100

Direction-oriented execution level of 8 measures has been over 90%

NACAP directions		Number of measures	Execution percentage
25	Upgrading administrative mechanism in the field of labor and social provision	7	95,24
8	Developing services of state civil servants and upgrading their specialization skills.	6	94,87
2	Improving application and complaints processing procedures	6	92,86
6	Prevention on legalization of revenues obtained through criminal acts and strengthening institutional mechanisms in this area	4	92,59
3	Upgrading legislation in the field of criminal prosecution	5	92,31
15	Increasing transparency level on state registry of real-estate	4	91,67
12	Improving suitable atmosphere for entrepreneurship activity	7	90,48

Direction-oriented execution level of 18 measures has been over 50%

NACAP directions		Number of measures	Execution percentage
7	Improving legislation in regards with state employment and institutional mechanisms	3	88,89
13	Upgrading audit services	4	88,89
21	Developing administrative mechanisms in educational institutions	7	88,1
4	Perfecting operation of Commission on fight against Corruption of Azerbaijan Republic	4	87,5
11	Improving operation of municipalities	3	87,5
27	Developing partnership with civil society institutions in the field of fight against corruption	2	83,33
17	Increasing efficiency in tax monitoring and controls	5	80
22	Upgrading administrative mechanism in the field of health	6	75
23	Improving application of cooperative administrative principles in state institutions	3	72,22
19	Advancing accumulation process of customs tariff and duties	4	70,83

20	Updating urban-planning and construction legislation and upgrading administrative processes in this field	4	66,67
24	Improving public utilities	4	62,5
28	Awareness on fight against corruption	6	61,11
14	Upgrading state procurement and boosting up transparency level	8	56,25
9	Preventing conflict of interests and presenting reports on information of financial character	3	54,17

Direction-oriented execution level of 1 measure has been over 50%

NACAP directions		Number of measures	Execution percentage
18	Increasing level of transparency in privatization process	2	50

Measures with less than 35 % of execution level

9.3 Preparation of proposals on presenting reports regarding financial information of officials electronically Execution: Cabinet of Ministers, Commission on fight against Corruption - 2013
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<p>22.6 Producing proposals in regards with increase in salaries of doctors and strengthening their social welfare Execution: Cabinet of Ministers, Ministry of Health – 2012-2015</p>
<p>14.2 Strengthening control over contracts regarding state procurements, as well as payments in connection with these contracts Execution: State Procurement Agency, Ministry of Finance, Chamber of Accounts– 2013-2014</p>
<p>14.3 Preparation of mechanism limiting participation of physical and juridical persons, who have breached regulations, on state procurement bids and in the implementation of procurement contracts Execution: State Procurement Agency, Central Executive Powers - 2013-2014</p>
<p>14.4 In order to protect rights of contenders participating at state procurement bids, undertaking respective measures for investigating appeals with no delays Execution: State Procurement Agency, central and local executive powers – constantly</p>
<p>22.1 Speeding up measures regarding application of compulsory insurance system in health Execution: the Cabinet of Ministers, Ministry of Health – 2013-2014</p>
<p>23.2 Preparing proposals on effective usage of funds, as well as financial assistance allocated from state budget to state institutions Execution: Ministry of Economic Development, Ministry of Finance, State Institutions – 2013-2014</p>

Measures at 50 % execution level

<p>2.2 Launching of hot lines by state institutions and defining unique methodology and standards regarding the operation</p>

<p>Execution: Cabinet of Ministers, Ministry of Justice, Commission on fight against Corruption – 2013</p>
<p>4.1. Investigative and evaluative measures to be undertaken in accords with corruption-related appeals submitted to state institutions by Commission. Execution: Commission on fight against Corruption – constantly</p>
<p>13.3 Taking measures to define mechanisms for application of obligatory responsibility on evasion from compulsory audit Execution: Ministry of Taxation, Chamber of Audits– 2013</p>
<p>14.1 Electronic application of state procurements Execution: State Procurement Agency, central and local executive powers - 2013</p>
<p>14.5 Getting law enforcement agencies informed about corruption cases in state procurements Execution: State Procurement Agency, central and local executive powers – constant</p>
<p>17.4 Carrying out risk analysis over the cases making grounds for corruption in Tax Code Execution: Ministry of Taxation - 2013-2014</p>
<p>17.5 Presenting proposals to lessen tax report periods Execution: Ministry of Taxation – 2013</p>
<p>18.1 Application of electronic control mechanism in organizing auctions Execution: State Committee on Property Issues – 2013</p>
<p>18.2 Provision of real-time auction registration for citizens Execution: State Committee on Property Issues – 2013-2014</p>
<p>19.3 Upgrading processing procedure over complaints from the decisions by customs offices Execution: State Customs Committee – 2012- 2013</p>
<p>20.1 Creating efficient administrative system in connection with permits for construction, control over construction and exploitation, as well as preparing proposals for application of “one-stop shop” system in this field</p>

<p>20.4 Preparation of proposals in regards with application of electronic state principles in urban-planning and construction Execution: Cabinet of Ministers – 2013</p>
<p>21.1 Increasing transparency in the process of examinations at educational institutions Execution: Ministry of Education, State Commission on Student Admission– 2012-2013</p>
<p>24.1 Completing installation process of smart card meters based on payment system for electricity, natural gas and water consumption Execution: “Azerenerji” OJSC, “Bakielektrikshebeke” OJSC, State Oil Company, “Azersu” OJSC – 2013-2014</p>
<p>24.3 Tackling issues regarding gas provision of many-storied and newly-constructed residential buildings</p>
<p>24.4 Carrying out reforms in apartment households, as well as optimizing norms and tariffs on the services rendered in this field Execution: Cabinet of Ministers, Ministry of Economic Development, Tariff Council - 2013-2014</p>
<p>28.1 Evaluating and making implementation status of activities publicly accessible regarding execution of the activity plan Execution: Commission on fight against Corruption - 2012-2015</p>
<p>28.2 Organizing TV and radio programs, as well as debates by state institutions in connection with fight against corruption in their activities Execution: central and local executive powers – constant</p>
<p>28.4 Taking into consideration the anti-corruption training courses in the programs of higher and secondary educational institutions, skills retraining and educational centers Execution: Ministry of Education – constant</p>
<p>28.5 Organizing essay and painting competitions, as well as other intellectual competitions among secondary school-children Execution: Ministry of Education – constant</p>

III. ACHIEVEMENTS ON EXECUTION OF NACAP

Upgrading legislation, specifying procedures, preparation, preparing concepts of development in a variety of fields and its adoption, as well as implementation process of basic activities regarding application of electronic services are mainly on the verge of completion. Fulfillment of measures indicated in NACAP is exclusively in close connection with these aspects.

Monitoring proved that state bodies have performed impressive dynamics in the implementation of liabilities on their shoulders in regards with NACAP. 18 draft laws and 1 codex were prepared on execution of NACAP in 2013-2015.

During 2013-2014 years, 2 conceptions, 4 new draft regulations in connection with regulation of various fields were prepared, while 7 new regulations were adopted.

1.	“Draft law on protection of persons informing about corruption cases”
2.	Draft law on application regulations of criminal-legal measures about juridical persons
3.	Draft law “about making changes on “about courts and judges” law of Azerbaijan Republic”
4.	Draft law to extend efficiency on operation and investigative measures
5.	Proposals to upgrade protection of witnesses and persons collaborating with crime chasing units and draft laws on respective amendments and changes to legislation
6.	Draft law on inclusion of corruption crimes investigative measures into criminal-procedure code
7.	Draft law “on realtor functions”
8.	Draft law about changes in regards with trainings of state civil servants in “about state services” law

9.	Draft law “about conflict of interests”
10.	Draft law on relevant changes in “about ethics conduct rules of civil servants” AR Law
11.	Changes to “about local governance services” Azerbaijan Republic law have also been proposed
12.	Draft law on “changes to “about state procurement” Azerbaijan Republic Law”
13.	Azerbaijan Republic draft law “on changes to Azerbaijan Republic Tax Code”
14.	Draft law “on changes to “about privatization of housing fund in Azerbaijan Republic” Azerbaijan Republic Law”
15.	New draft law “about rights of physically disabled persons” in Azerbaijan

Expert group of the project have also done assessment of anti-corruption potential of measures indicated in NACAP. Special considerations have been given to how systematic the measures are, their scope of influence, whether they possess operative mechanism, their multiplicative efficiency and mainly practical importance.

1.	Application of new procedures on conducting monitoring in entrepreneurship facilities (pause for the period of two years);
2.	Increasing transparency level and accountability in customs system, application of new mechanisms on electronic services, as well as reception of applications and complaints by citizens.
3.	Reforms and updates intended for tax system
4.	Getting radical drop-down in the number of licenses, permits and simplification, electronization of the procedures in regards with their processing ;
5.	Application of information-giving procedure regarding private housings, small-size constructions

6.	Improving mechanisms to implement entrance to state services through competitions based on transparency
7.	Full automation in defining targeted social assistance and its electronic processing, updates in defining standards of physically disabled and its procedures and partial application of electronic services in this area
8.	Developing performance of the Anti-Corruption Department of the Prosecutor General's Office
9.	Employment of doctors and teachers through tests and competitions on centralized system
10.	Installation of smart card meters based on payment system for electricity, natural gas and water consumption

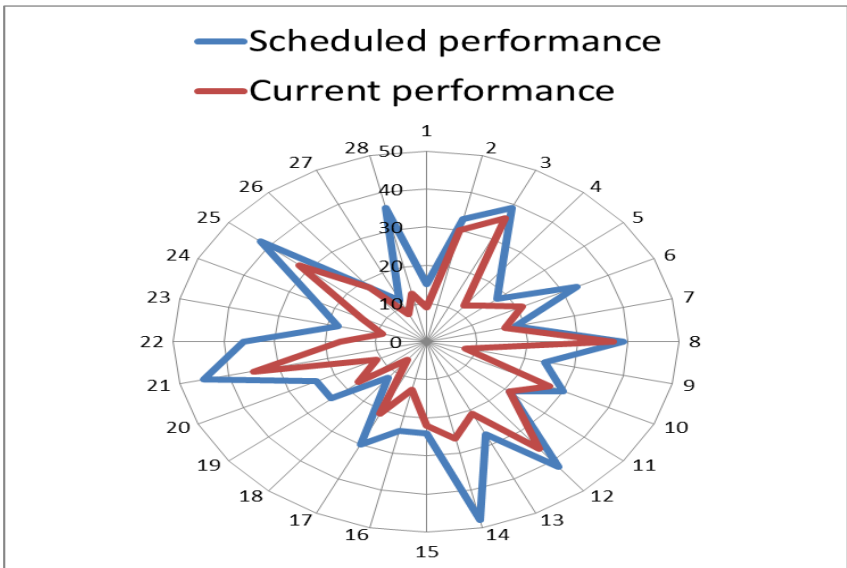
In a nutshell, we can come to the point that, the Action Plan, being adopted in 2012 and starting from 2005, proceeding until 2015, can be considered as a final for 10-year period. Within these 10 years, working phase on anti-corruption legislation can be considered as completed. At the same time, main measures have been taken forward for reforms planned in the following phase. Within these ten years, developing legislative base, creating respective institutions, obtaining required skills and knowledge, learning international experience, experimenting application of new tools in the field of fight against corruption have been of main priorities. As the result of these researches and practice we can give example of creation of ASAN services, by and large application of electronic services, structural reforms. Last 3 years mostly remind us of dozens of practical measures being taken. The importance of the measures taken so far shows itself more and more in the daily lives of people.

Important steps are periodically being taken in the corruption risky areas. The examples of transparent procedures in customs system and application of cutting-edge standards, updated procedures in monitoring entrepreneurship facilities, radical drop in the number of licenses and permits and simplification,

electronic processes in processing them, planned tax reforms, changes in processing targeted social assistance can be stated.

Schedule 1.

Development observed from 2012, September to 2015, December on the implementation of NACAP, has been described in Schedule 1. Blue curve indicates the number of components in 28 directions. Red curve shows rate of improvement in the execution level of each component. Cases indicating proximity of inner red curve to outer blue curve are good indicatives of respective direction.



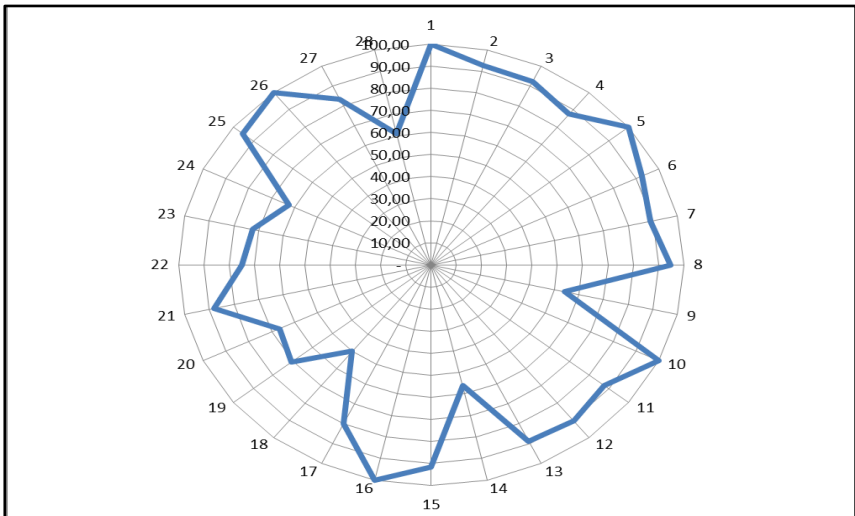
Schedule 2

Schedule is indicating percentage dynamics on the directions of NACAP from 2012, September to 2015, December.

Numbers on the outer layer show directions of NACAP. Blue curve indicates that there has been detected improvement in each direction of total 28.

As seen in the schedule, the best results have been achieved in 26th- “Development of international collaboration in the field of fight against corruption”, 8th- “improving performance of civil servants and their professionalism”, 3rd- “upgrading legislative base in regards with criminal persecution”, 15th - “Increasing transparency level in processing state registry of real state”, 10th- “developing regulations of ethical conduct”, 7th- “upgrading legislation and institutional mechanisms in connection with state service”.

Dynamic performance



As can be seen from the chart, the best results have been achieved on the 26th - “Development of international cooperation in the fight against corruption”, the 8th - “Improving and enhancing the professionalism of civil servants”, 3rd - “Improvement of legislation in the field of criminal prosecution,” 15th - “Increasing transparency in state registration of real estate”, 10th - “Ethical behaviors improvement”, 7th - “Improvement of the civil service legislation and institutional mechanisms” had been achieved in the fields.

IV. NACAP EXECUTION STATUS IN CLAUSES

This part of the report is encompassing improvements in implementation of measures considered for 2012-2015 years. In accords with methodology, it is possible to assess execution level of every measure from zero to six, or nine.

1. Improvement of the anti-corruption legal framework. Score on this area - 15 out of 15 points (100%)

1.1. Specification of the rules for evaluation of the legal regulation impact. Implementers: *Cabinet of Ministers, Ministry of Justice, Ministry of Economy and Industry, Ministry of Finance* - 2013. The Ministry of Justice drafted “The Rules for Evaluation of the Legal Regulation Impact” and submitted to the Cabinet of Ministers. The report of the Ministry of Economy and Industry on implementation of the National Action Plan for 2013 states that the draft has been reviewed and opinion was given by the letter # İSN-X/O-1075/2014 of 07.02.2014¹. The Ministry of Finance also provided its opinion about the drafts of the decree on approval of “The Rules for Evaluation of the Legal Regulation Impact” and their updated versions.

6 out of 6 maximum points on this item.

1.2. Development of the rules for anti-corruption expert examination of legal-normative acts. Implementers: *Cabinet of Ministers, Ministry of Justice* - 2013.

Draft of “The Integrated Rules for Expert Examination of Legal-normative Acts to be adopted by Central Executive Authorities and the Bodies adopting such Acts regarding their Exposure to

¹economy.gov.az/doc/korrupsiya-hesabat-2013.doc

Abuse (corruption)” has been prepared and submitted to the Cabinet of Ministers.

NGOs and open sources do not have information on this subject.

9 out of maximum 9 points on this item.

2. Improvement of consideration of appeals and complaints. Score on this area - 39 out of 42 points (93%)

2.1 Improvement of the technical and human capacity of 161-hotline call center functioning under the General Prosecutor’s Office of the Republic of Azerbaijan, facilitation of prompt consideration of the information entered the center, and publication of statistical and analytical information related to the received appeals. Implementer: *General Prosecutor’s Office* – 2012-2015

161-Hotline under the General Prosecutor’s Office has started its operation since March 3, 2011. Free 24/7 services are provided to the population all days, including holidays and non-working days, all technical installation, software and equipment are in place. General Prosecutor’s Office prepared changes and addition to the relevant normative acts for capacity improvement of the center’s staff and submitted them to the Cabinet of Ministers.

During the period between January 01 – December 31, 2013, the 161-Hotline received 6149 calls.

During the period of January 01 – December 31, 2014, the 161-Hotline received 4945 calls.

During the period of January 01 – December 31, 2015, the 161-Hotline received 7266 calls.

In general, during the period of 2013-2015 the 161-Hotline received 18360 calls.

The Main Office considered 10,654 appeals from the population and 5,954 of them sent to the relevant government institutions. The Main Office investigated 449 appeals; a criminal case has been launched on the 30 applicants. Around 190 materials were criminal character².

Main Anti-Corruption Office conducts semi-annual and annual reporting events with mass media outlets and civil society organizations on its activities³.

6 out of 6 maximum points on the methodology.

2.2. Specification of integrated methodology and standards for organization and functioning of Hotlines by the State agencies. Implementers: *Cabinet of Ministers, Ministry of Justice, Anti-Corruption Commission* – 2013.

Ministry of Justice drafted “The Integrated Methodology and Standards for Organization and Functioning of Hotlines by the State agencies” and submitted them to the Cabinet of Ministers. But these rules are not adopted in the end.

Provisions relating to the application were included in the new "Law on Citizens' appeals," that was adopted through the “telephone contact service” on September 30, 2015. According to the law, (3.0.10. Paragraph) "apply to phone service" is a type of communication service for the applicant's verbal acceptance of the application, the implementation of responses and registration through the technical means.

According to the law, (15.3. article) oral appeals through the telephone contact, reception, registration and responding to citizens' requests "on the consideration of the provisions of law shall be carried out by the relevant executive authority. Citizens'

² <http://transparency.az/cnews/korrupsiyaya-qarsi-mubariz%C9%99-bas-idar%C9%99sinin-r%C9%99isi-illik-hesabat-verib/>

³ <http://www.genprosecutor.gov.az/?/az/news/view/900/>

applications" on the application of the law by the Decree of the President of Azerbaijan, the Cabinet of Ministers on 12 November 2015 verbal appeals through telephone contact, reception, registration and approval of response is in charge of coordination with the President of the Azerbaijan Republic⁴.

6 out of 6 maximum points on the methodology.

2.3 Development of a draft law on protection of informers of corruption cases (the Whistleblower Law). Implementers: **General Prosecutor's Office, Ministry of Justice, Anti-Corruption Commission** – 2014.

General Prosecutor's Office drafted "The Law on Protection of Informers of Corruption Cases (the Whistleblower Law)" and submitted it to the Cabinet of Ministers.

"The Law on Protection of Informers of Corruption Cases (the Whistleblower Law)" was drafted. The Legislative Improvement Working Group of the Anti-Corruption Commission has discussed the draft law together with representative of NGOs.

The project was presented to the Cabinet of Ministers for the review.

9 out of 9 points on the methodology.

2.4 Development of proposals on improvement of the rules for consideration of complaints, appeals and petitions related to corruption. Implementers: **General Prosecutor's Office, Ministry of Justice, Anti-Corruption Commission** – 2013.

The Main Anti-Corruption Office has drafted the law on additions the Code of Administrative Offences of the Republic of Azerbaijan and submitted it to the Cabinet of Ministers.

On September 30, 2015 the specific article was considered for "The features of appeals review on offenses related to Corruption"

⁴ <http://www.president.az/letters/laws/3>

in the law of “Citizens appeals” (article 9) of the Republic of Azerbaijan. The responses, appointment of investigation, duration, rules, etc. of the appeals review on offenses related to Corruption were included in the governmental agencies and the other institutions.

9 out of maximum 9 points on the methodology.

2.5. Organization of regular in-person, as well as mobile reception of citizens by the heads of state agencies. Implementers: *central and local executive authorities* – 2012-2015.

There are 40 central executive bodies in the Republic of Azerbaijan. Websites of each of these bodies have information on the reception days, hours, names of the officials to receive people and contact information to book an appointment with those officials. At the same time, there are 96 local executive bodies. Websites of 90 of these bodies have information on the reception days, hours, names of the officials to receive people and contact information to book an appointment with those officials.

At the same time, whether in the media in 2014, as well as for the year 2015 by the heads of central executive bodies for months Reception schedule for the citizens of cities and towns have been announced in advance. On-site meetings of heads of central executive bodies are given regular information to the media.

By the head of central executive bodies 10529 citizens were admitted from 67 cities and districts, 10194 appeals were received.

In 2015, the local executive bodies organized regular admission of citizens, more than 165 people participated in the reception.

Last year 11336 citizens from 67 cities and districts were admitted on behalf of head of central executive bodies, 11152 appeals were received.

11336 citizens were participated (registered) in reception and were accepted by the Ministry of internal affairs (4868), Education (623), Labour and Social Defence (512), Ecology and Natural Resources (491), Justice (465), Economy (342),

Agriculture (298), Culture and Tourism (284), Health (280), Emergency (263), Taxes (252), Youth and Sport (187), Transport (164), Communication and High Technology (117), and State Committees - Property Issues (452), Religious Organizations (230), Customs (112), Family, Women and Child issues (100), General Prosecutor's Office (327), the State Service for Mobilization and Conscription (361), the State Border Service (217) heads of State Social Protection Fund (326), the State Commission on Student Admission (65). 84,6 % of issues that raised was the admission of the competence of the central executive body.

6 out of 6 maximum points on the methodology.

2.6 Improvement of electronic receipt and official responding to complaints and appeals. Implementers: *central and local executive authorities* – 2013-2014

Electronic inquires from citizens are received by all the 40 central executive bodies and all 92 local executive bodies via their websites. At the adoption of an electronic form of applications and complaints, adopted on 30 September 2015 "on the appeals of the citizens" governed by the law. According to the law, "electronic application - at the request of the entity or its official e-mail sent or received through the official website of the application." The application acceptance and answering calls at the subjects as well as in electronic form is entitled to perform the work (Article 7.3).

According to the law of the subject facing the electronic application or the application is sent to his or her official e-mail address is included in the official website. The application of the subject at the official web site or e-mail address indicated in the application of the citizens. The application submitted in the form of electronic documents with an electronic signature must be confirmed (6.7; 6.8, 6.9 paragraphs).

Electronic applications at the request of the applicant by the parties and their officials through the electronic address of the

applicant in electronic form or by email request is being considered, provided a written response. E-mail application requests a written response to the applicant's e-mail address is shown.

Thus, the requirements for the application of citizens' requests are also cover their complaints, electronic reception of appeals, their registration and official responses. Receipt of citizens' electronic applications takes place also in line with the Decree No. 52 on the "state bodies, institutions, organizations and enterprises, citizens' proposals, applications and complaints of clerical work" approved by President of the Republic of Azerbaijan in December 29, 1998. These rules are applicable to receipt of electronic applications too.

6 out of 6 points on the methodology.

3. Improvement of the criminal prosecution legislation

Score on this area - 36 out of 39 points (92%)

3.1. Development of draft laws on the rules for application of criminal-legal measures to legal entities. Implementers: *General Prosecutor's Office, Ministry of Justice* - 2013.

General Prosecutor's Office has drafted the law on the rules for application of criminal-legal measures to legal entities and submitted to the Cabinet of Ministers of the Republic of Azerbaijan.

9 out of 9 points on the methodology.

3.2. Development of proposals on limitation of corruption-related immunity of judges. Implementers: *General Prosecutor's Office, Ministry of Justice* - 2013-2014.

Draft Law on Amendments to the Law of the Republic of Azerbaijan on Courts and Judges has been prepared by the General Prosecutor's Office and submitted to the Cabinet of Ministers. The Ministry of Justice provided respective opinion to the draft law.

9 out of 9 points on the methodology.

3.3. Development of proposals on improvement of effectiveness of investigative and search actions related to combating corruption. Implementer: *General Prosecutor's Office* - 2013-2014

General Prosecutor's Office continued its work on development of proposals on improvement of effectiveness of investigative and search actions related to combating corruption and preparation of draft laws on making relevant amendments and additions to the legislation⁵. A draft law on improvement of effectiveness of investigative and search actions related to combating corruption has been drafted and submitted to the Cabinet of Ministers of the Republic of Azerbaijan.

NGOs are aware of discussion being conducted in this direction.

9 out of 9 points on the methodology.

3.4. Identification of additional actions on improvement of protection of corruption witnesses and the persons cooperating with the bodies undertaking criminal prosecution measures. Implementers: *General Prosecutor's Office, Ministry of Internal Affairs, Ministry of National Security* - 2013-2014

The works on development of proposals for protection of corruption witnesses and the persons cooperating with the bodies undertaking criminal prosecution measures and development of draft laws on making amendments and additions to the legislation with this regard have been continued.⁶ The relevant draft law has been submitted by the General Prosecutor's Office to the Cabinet of Ministers.

⁵<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

⁶<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

For the purpose of improving protection of corruption witnesses and the persons cooperating with the bodies undertaking criminal prosecution measures, the General Prosecutor's Office and the Ministry of Internal Affairs signed an instruction on "Additional measures for protection of the persons cooperating with the bodies undertaking criminal prosecution measures" and sent it for execution.

6 out of 6 points on the methodology.

3.5. Development of proposals on inclusion of plea bargain on corruption crimes in the criminal procedures legislation. Implementer: *General Prosecutor's Office* - 2013-2014.

The works on development of proposals on inclusion of plea bargain on corruption crimes in the criminal procedures legislation and making relevant amendments and additions to the legislation have been continued.⁷ The General Prosecutor's Office drafted the law of proposals on inclusion of plea bargain on corruption crimes in the criminal procedures legislation and submitted it to the Cabinet of Ministers of the Republic of Azerbaijan.

NGOs are aware of these developments.

6 out of 6 maximum points on the methodology.

4. Improvement of the activity of the Anti-Corruption Commission of the Republic of Azerbaijan. Score on this area - 21 out of 24 points (87,50%)

4.1 Conduct of investigations and evaluations on the corruption-related appeals submitted by the Commission to the relevant State bodies. Implementer: *Anti-Corruption Commission* – constantly.

⁷<http://www.genprosecutor.gov.az/?/az/speeches/view/37/>

The Anti-Corruption Commission informed that the appeals entered to the Commission are referred to the Anti-Corruption Department (ACD). It was also informed that since the Commission does not have authorities to undertake investigation in this sphere, the mentioned appeals are referred to ACD.

Although ACD provides semi-annual and annual reports, no information is provided on the number of appeals and actions undertaken with their regard.

3 out of 6 points on the methodology.

4.2 The Commission to conduct monitoring to check the implementation of the Action Plan. Implementer: *Anti-Corruption Commission* – constantly

The Anti-Corruption Commission stated that NACAP envisages a monitoring mechanism. As envisaged in the NACAP, all governmental bodies mentioned in the plan have presented their annual reports at the end of calendar year.

The Commission learns these reports, and once the process is over, CSOs are engaged in the monitoring process. Also, reports and researches of CSOs will be used, too. NGOs have information that the Commission will conduct monitoring of the NACAP, a methodology is being developed and discussions are going on.

6 out of 6 points on the methodology.

4.3 Conduct of specialized researches and surveys to define the level of corruption. Implementer: *Anti-Corruption Commission* - constantly

With financial support of the Anti-Corruption Commission and operatorship of the Constitution Research Fund, NGO Information and Cooperation Network engaged “SIGMA” Development and International Research Center to conduct a nationwide (except Nakhchivan Autonomous Republic) survey with 1200 respondents in March-September 2014 to learn public opinion about the level of corruption in Azerbaijan, its status in different spheres and how the public evaluates anti-corruption activities.

The report prepared based on the survey findings has been submitted to the Anti-Corruption Commission.

6 out of 6 maximum points on the methodology.

4.4 Development of proposals on improvement of the structure of the Secretariat of the Anti-Corruption Commission, further development of its capacity and human resources. Implementers: *Anti-Corruption Commission, Cabinet of Ministers, Ministry of Finance* - 2013.

According to information from the Ministry of Finance, the funds allocated in the State budget, are supposed to maintain the Secretariat and its material and technical supply.

NGOs and NGO Anti-Corruption Network came up with suggestions in this area in several occasions. NGOs are aware of discussion going on this subject for certain period of time.

The proposal presented to the government for improvement of the structure, financial-technical base and human recourse of the secretariat of Commission.

6 out of 6 points on the methodology.

5. Improvement of the activity of the Anti-Corruption Department of the General Prosecutor's Office of the Republic of Azerbaijan. Score on this area - 18 out of 18 points (100%)

5.1 Actions on provision of access for the Department to use information systems, databases and registries of the State bodies in the manner defined by the legislation and in real time mode. Implementers: *General Prosecutor's Office, State Agency for Public Service and Social Innovations under the President of Azerbaijan, Cabinet of Ministers, relevant governmental bodies* – 2013

The electronic information resources by government agencies as well as the Anti-Corruption Department of the Prosecutor General's Office to provide real-time connection with the use of

normative legal acts of Azerbaijan Republic has been submitted to the Cabinet of Ministers and the Anti-Corruption Commission. Currently, the Main Department has an access to the Ministry of Internal Affairs, State Border Service, the State Commission for Student Admission`s databases.

5.2 Broadening of the Department`s activity on preventive actions and adoption of the relevant plan of actions. Implementer: *General Prosecutor`s Office* – 2012-2013

An Action Plan on widening preventive measures by the Main Anti-Corruption Office has been drafted and approved on December 26, 2012. The Action Plan was discussed during the extended operational meeting at the General Prosecutor`s Office on January 2013. It received feedback and its objectives were further specified.⁸

Information on this activity is available in the open resources and NGOs are informed about it. The General Prosecutor`s Office informed that since the Action Plan is confidential and of operational character, it is not publicized in details.

6 out of 6 maximum points on the methodology.

5.3 Improvement of the integrated database of corruption crimes. Implementer: *General Prosecutor`s Office* - 2013-2014.

The General Prosecutor`s Office informed that an Expert Group with departmental authorities has been established for provision of specialized advices and recommendations to prosecutors and investigators based on preliminary investigation materials and criminal cases related to finances, accounting, banking, loans, science, technical and other professional areas, also conducting revisions and development of opinion based on the revisions, as

⁸<http://www.aznocorruption.az/az/news/842-ba351-prokuroru-yan305nda-korrupsiyaya.html>

well as for the purpose of managing the Integrated Database of corruption-related crimes.⁹

Necessary measures have been taken and respective software has been developed for improvement of the integrated database on corruption-related crimes.

Information on this activity is available in open sources. The inquiry has been responded. NGOs are not aware of this activity.

6 out of 6 maximum points on the methodology.

6. Preventing money laundering and strengthening the institutional mechanisms in this area. Score on this area - 25 out of 27 points (93%)

6.1 Development of proposals for acceding of the Republic of Azerbaijan to Council of Europe's Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism. Implementers: *Cabinet of Ministers, Financial Monitoring Service* - 2013.

February-June of 2014 was dedicated to development of proposals for acceding of the Republic of Azerbaijan to Council of Europe's Convention "On Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism".

Opinions and proposals of the relevant agencies regarding acceding to CoE's Warsaw Convention "On Anti-Money Laundering/Combating the Financing of Terrorism" have been received, the Convention has been translated into Azerbaijani and together with the relevant set of documents (justification, legal expert opinion, translation of the Convention, draft law and order, statements regarding acceding to the Convention and etc.) has

⁹<http://news.lent.az/news/66453>

been submitted to the Cabinet of Ministers with cover letter # 07\01-2\006 of 01.04.2013.¹⁰

There is available information on this in the open sources. The Financial Monitoring Service responded to the inquiry and confirmed the information available in the open sources.

6 out of 6 maximum points on the methodology.

6.2 Development of a legal-normative act for formation of a national mechanism on dispossessed asset recovery. Implementers: ***General Prosecutor's Office, Ministry of Justice, Financial Monitoring Service*** – 2013-2014.

The work on development of the draft legal-normative acts on dispossessed asset recovery has been continued.¹¹ Initially, the legislation of Germany, Lichtenstein, Switzerland, England and USA in this area is reviewed. The Ministry of Justice has reviewed and provided its legal opinion about the following drafts laws: “On Amendments to the Criminal Procedure Code of the Republic of Azerbaijan”, “On Operational and Search Activities”, and “On Legal Assistance to Criminal Cases”.

The proposed amendments cover two directions: 1) improvement of legal norms (property tracking, seizure, confiscation, returning to the State ownership) reflected in Criminal and Criminal Procedure Codes; 2) improvement of legal assistance mechanism in consideration of criminal cases to strengthen mutual cooperation with foreign states. Also, in addition to the existing provision on confiscation of property, the draft law was included the norms specifying mechanisms for extrajudicial confiscation mechanism. This remedy is used in the cases when criminal indictment against a person is impossible.

¹⁰http://www.fiu.az/images/documents/az/fealiyyet_planlari/mmx_korrupsiyaya_qarshi_milli_fealiyyet_plani.pdf

¹¹Financial Monitoring Service

It is also proposed to include the following provisions into the Criminal Procedure Code: execution of court decisions in Azerbaijan, ensuring execution of decision of local courts by foreign states and property tracking by investigator¹².

6 out of 6 maximum points on the methodology.

6.3 Development of the rules on supervision of the relevant State bodies over the anti-money laundering and combating the financing of terrorism (AML/CFT) commitments of the supervised entities and other participants of the monitoring. Implementers: ***Financial Monitoring Service and State bodies overseeing supervised entities and other actors participating in the monitoring*** - 2013.

Since the Law “On Regulation of Inspections in the Entrepreneurship Area and Protection of Entrepreneurs Interests” adopted in 2013 has already specified goals and principles of inspections in the entrepreneurship area, their organization and conduct, rights and duties of the inspecting bodies and their employees, integrated and general requirements regarding protection of rights and interests of entrepreneurs during inspections, development of the rules on the control of the inspecting bodies envisaged in item 6.3. of NACAP became void.

6.4 Development of an integrated statistical database on AML/CFT field. Implementers: ***Financial Monitoring Service, Ministry of National Security, General Prosecutor’s Office*** – 2013-2014

The Financial Monitoring Service did some researches for implementation of its task related to creation of an integrated statistical database. Within the research, methods of FATF, MONEYVAL and OSCE, as well as financial monitoring

¹² <http://www.fiu.az/images/documents/az/neshrler/fmsreport2013.pdf>

experience of some countries related to design of the subject database were studied. Based on these researches, new statistical table form reflecting the relevant information and guidelines have been developed.

The activity on creation of the integrated statistical database is being carried out in cooperation with the relevant State bodies. Thus, joint discussions with representatives of the General Prosecutor's Office, Ministry of Internal Affairs and Ministry of National have been held in the administrative Office of the Financial Monitoring Service. Suggestions put forward during these discussions were also taken into account in the draft guidelines and the draft was submitted to the relevant bodies. Discussions on creation of the database have also been held with experts of the World Bank, IMF and OSCE¹³.

The information received from open sources coincides with the responses received from the inquiry. It was expected that new statistical table template and regulations will be approved by the first half of 2015. However, the process of creation of integrated statistical database is not completed, although 2015 came to the end.

4 out of 6 maximum points on the methodology.

6.5 Development of draft legal-normative acts on regulating the activity sphere of pawnshops and the physical persons and legal entities providing intermediary services on purchase and sale of real estate in accordance with the Civil Code of the Republic of Azerbaijan. Implementers: *Financial Monitoring Service, Ministry of Justice* – 2013.

¹³http://www.fiu.az/images/documents/az/neshrler/icra_hesabati_tedbirler_plani_antikor_rupsiya.pdf

Financial Monitoring Service has drafted changes to legal-normative acts for licensing of activities of pawnshops in accordance with provisions of the Civil Code. Thus, draft laws, decrees and orders have been developed for making changes to the Law “On the State Fees”, to the “Guidelines on issuance of special permission (license) for some activities in the Republic of Azerbaijan” approved by Decree #782 of the President of the Republic of Azerbaijan dated September 2, 2002, and to the Order #174 of the Cabinet of Minister of the Republic of Azerbaijan (November 7, 2002) “On the additional rules required for special permission (license) depending on the type of activity”. Presently the agreement on drafts is close to completion.

The draft Law “On Realtors” has been drafted taking into consideration practices of several other countries related to regulating of activities of the physical persons and legal entities providing intermediary services on purchase and sale of real estate, and submitted to the Ministry of Justice. The goal of this law is to regulate the realtor activity, to form the public policy in the field and to protect the rights of physical persons and legal entities with regard to carry-out of realtor activity in the Republic of Azerbaijan.

NGOs are informed about this activity. Information on this activity is obtained from open sources.

9 out of maximum 9 points on the methodology.

7. Improvement of the legislation and institutional mechanisms on civil service Score on this area - 16 out of 18 points (88%)

7.1 Development of drafts for transforming the legislation on civil service to a code. Implementers: *Cabinet of Ministers, Commission on Civil Service Issues under the President of Azerbaijan* – 2013-2014

The Civil Service Commission under the President of the Republic of Azerbaijan has presented the first draft of the Civil

Service Code in 2013 and was sent to the relevant governmental agencies for their feedback and suggestions. On April 4, 2013, the Commission conducted a roundtable discussion on presentation of the first draft of the Code. The draft of the Code has been developed within a joint project implemented by the Commission in collaboration with the German International Cooperation Organization (GIZ)¹⁴.

Representative of State bodies, NGOs and international organization participated in the roundtable discussion. The draft Code was discussed, and opinions and proposals of the civil society representatives were taken at the event. At the same time, proposals of the State bodies were also learned. The draft was reworked taken into consideration the proposals and it was decided to submit it to the relevant agency.

The draft Civil Service Code and suggested proposals are posted in the website of the Civil Service Commission¹⁵.

6 out of 6 points on the methodology.

7.2 Creation of a specialized training center under the Civil Service Commission under the President of the Republic of Azerbaijan (for delivery of training and education on application of the civil service legislation, code of conduct, conflict of interests and etc.). Implementers: *Cabinet of Ministers, Commission for Civil Service Issues under the President of Azerbaijan* – 2013-2014

The works on establishment of a specialized Training Center under the Commission (for delivery of training and education on application of the civil service legislation, code of conduct, prevention of conflict of interests, combating corruption and etc.) has been continued.

¹⁴<http://az.trend.az/news/society/2135360.html>

¹⁵ <http://dqm.gov.az/index.php/home/post/1286>

Relevant draft legal acts have been prepared in 2013 for establishment of the Training Center. The legal normative acts include the issues on the legal status, number of staff, material and technical supply, as well as organization of the center's work. Opinions and suggestions of the relevant state bodies on the drafted documents have been received and submitted to the Cabinet of Ministers of the Republic of Azerbaijan in the form of proposals.

Establishment of the Training Centre has been also included into the 3rd phase of the Institutional Reform Plan (IRP3) to 'Improve training of civil servants in Azerbaijan' signed between Azerbaijan and the European Union under the 'Comprehensive Institutional Building Program'. The project for the implementation of IRP3 started on December 1, 2013.

The work on the preparation of internal procedures and training modules for the Training Centre are done within the Commission's project implemented together with the UN Development Programme and GIZ.

A package of proposals on the establishment of the Center was prepared by considering the feedback and recommendations of the Ministries of Labor and Social Protection, Justice, Finance and Education, and submitted to the Cabinet of Ministers on November 10, 2014. However, the decision has not been taken so far on the establishment of the training center.

4 out of 6 maximum points on the methodology.

7.3 Providing proposals for improvement of the structure and material and technical capacity of the Civil Service Commission under the President of the Republic of Azerbaijan. Implementers: *Cabinet of Ministers, Commission for Civil Service Issues under the President of Azerbaijan* – 2013-2014

The Commission has developed a justification note and corresponding draft act on increase of staff and change of the Commission's structure, and submitted them to the Ministry of Finance together with a cover letter #01/05-05/2429 of November

26, 2013. By its letter # 04/03-404-10786 of December 29, 2013, the Ministry of Finance issued a positive feedback to the set of documents and agreed to increase of the Commission's staff for 15 positions. The Commission submitted relevant documents on the increase of the staff to the Cabinet of Ministers.

The number of the staff of the Commission has increased for 15 positions by Order #377 of the President of the Republic of Azerbaijan of April 11, 2014 "On Making Changes to Order # 1005 of the President of the Republic of Azerbaijan of September 15, 2005 "On Provision of Activity of the Commission for Civil Service Issues under the President of Azerbaijan" ¹⁶.

New 7-storey building is being constructed for the Commission for Civil Service. It is expected to complete in 2015.

6 out of 6 maximum points on the methodology.

8. Improvement of activities and increase of professionalism of civil servants. Score on this area - 37 out of 39 points (94%)

8.1 Improvement of mechanisms for competitive and transparent admission to civil service. Implementers: *Commission for Civil Service Issues under the President of Azerbaijan, central and local executive authorities* - 2012-2014

"The Rules for Conduct of Interview for Admission the Civil Service and Attain Administrative Positions" have been reviewed and updated to further improve competitive and transparent selection process for civil service during 2013, relevant changes were made to "The Rules for Development of Test Samples for Exams to Get Admitted to Civil Service in Governmental Bodies, and Preparation of Expert Examinations" and "The Rules for Organization, Conduct and Evaluation of Exams for Admission to Civil Service in the Governmental Bodies" and these acts have

¹⁶ <http://dqm.gov.az/index.php/home/post/1304>

been submitted to the Ministry of Justice for registration in the State Registry of Legal Acts of the Republic of Azerbaijan.

According to the changes made to “The Rules for Conduct of Interview for Admission the Civil Service and Attain Administrative Positions”, evaluation criteria for identification of correspondence of candidates to the proposed vacancy have been improved. At the same time, some provisions were added to the relevant rules envisaging participation of civil society representatives as members of the evaluation group and observers during interviews in order to increase transparency of the interviews and ensure their participation in the decision-making process. According to the change made to the Rules, civil society and NGO representatives can participate as observers in test exams and interviews without getting registered.

“The Rules for Organization, Conduct and Evaluation of Exams for Admission to Civil Service in the Governmental Bodies” have been improved, duties and responsibilities of the managers, controllers, administrators, other persons (persons ensuring security, observers, medical and technical staff) taking part in the examination process responsible for organization and conduct of the exams have been clarified.

For further improving the mechanism of the admission to the civil service based on competition and transparency, the list of bachelor specialties of 1975, 1987, 1993 and 2009 were harmonized with the Order #4 of the Cabinet of Ministers of January 9, 1997. Also, the list of master specialties of 2009 were harmonized with the Order #4 “On the List of Higher and Secondary Professional Education Areas and Specialties” of the Cabinet of Ministers of January 9, 1997. Selection of candidates for civil service vacancies corresponding their specialties and areas of expertise is already carried out via information technologies irrespective of their year of education and date of issuance of their diplomas.

Another mechanism for demonstration of objectivity and transparency of the admission to the civil service is checking of the test results by candidates. Thus, after the test exam is over,

note on the results are immediately given to the candidate. The candidate compares the note with his/her own answers displayed on the computer monitor.

Also, relevant section is added to the Commissions website to ensure live on-line show of the test exams for admission to civil service.

At the same time, new independent experts on different subjects have been engaged in the groups conducting interviews related to admission to civil service. Their involvement in the interviews is aimed at increasing of objectivity and transparency of the interviews, ensuring public oversight on the civil service sphere and increasing the trust towards the process, and comprehensive and more professional evaluation of skills and knowledge. Independent experts basically include employees of scientific and education institutions and NGOs.

Also, citizens are provided with the opportunity to take free on-line mock tests via the Commission's website. The goal is to help potential candidates in their preparations to test exams.

Discussions have been held with NGOs on this matter.

6 out of 6 points on the methodology.

8.2 Development of proposals for improvement of the rules regulating complementary education of civil servants. Implementers: *Commission for Civil Service Issues under the President of Azerbaijan, Ministry of Education* - 2012-2013

During 2013, draft law on amendments to the Law "On Civil Service" related to the issues of training of civil servants and aimed at improvement of the guidelines regulating complementary education of civil servants have been developed.

According to the draft, it is envisaged to add Article 22.2 (Training of Civil Servant) into the Law "On Civil Service". The article will define the goals of trainings for civil servants, regulations for conduct of short-term trainings and training needs assessment, grounds for participation of civil servants in short-term trainings, and legal grounds for delivering special trainings

for the persons hired to civil service for administrative positions for the first time, as well as the civil servants assigned to managerial positions from 3rd-7th categories of administrative positions. The draft has been submitted to the Cabinet of Ministers.

At the same time, proposals have been presented on “The Guidelines for Type, Form, Term and Financial Provision of Complementary Education of Civil Servant”.

The presented proposals include improvement of the guidelines and harmonization of the guidelines with requirements of the Law of the Republic of Azerbaijan “On Education”. At the same time, the draft envisages internship and advanced development efforts as complementary directions along with specialization of civil servants. The draft also includes identification of annual State quota for civil servants’ advanced development education by mutual agreement between the Commission and relevant State body and submission of the quota based on the forecast of the relevant State body to the Ministry of Finance not later than July 1 annually. By this, efficiency of financing civil servants’ right to receive complementary education will be ensured.

In addition to the rules governing the training of civil servants were conducted in accordance with the requirements of the “Education Law” of the Azerbaijan Republic¹⁷. Besides, the Commission started learning foreign countries’ experiences in this area. It is envisaged to develop draft of new guidelines regulating civil servants’ complementary education by end of this year.

6 out of 6 maximum points on the methodology.

8.3 Development of the anti-corruption training module by education institutions and centers under the State bodies and organization of education programs related to the mentioned issue

¹⁷ <http://dqm.gov.az/index.php/home/post/1309>

(code of conduct, conflict of interests, freedom of information and etc.). Implementers: central executive authorities, ***Commission for Civil Service Issues under the President of Azerbaijan, Anti-Corruption Commission*** - 2013-2014

Foreign countries' best practices have been learned for development of a training module on combating corruption and relevant presentations and manuals have been developed. Respective training module development has been finalized.

6 out of 6 maximum points on the methodology.

8.4 Adoption of the guidelines for evaluation of activity of civil servants and creation of a special evaluation software system.

Implementer: ***Commission for Civil Service Issues under the President of Azerbaijan*** - 2013-2014

The Commission for Civil Service Issues under the President of Azerbaijan has completed development of the guidelines for evaluation of activity of civil servants.¹⁸

“The Guidelines for Evaluation of Service Activities of Civil Servants” have been approved by the Order #02-Q of the Commission dated February 10, 2014 and included in the State Register of Legal Acts. Related training titled “The Guidelines for Evaluation of Activity of Civil Servant” was organized and held on June 3-4, 2014 with organizational support of the Commission. Head of Structural Sections and 58 representatives responsible for implementation of the evaluation in 32 State bodies have participated in the mentioned training.

Training on the topic of “The Guidelines for Evaluation of Activity of Civil Servant” was conducted on July 25, 2014 within joint organizational cooperation of the Commission and the State Statistics Committee of the Republic of Azerbaijan.

¹⁸http://az.azvision.az/Dovlet_qulluqchularinin_fealiyyeti_qiymetlendirilib_-7307-xeber.html#.UibbxjbIb5M

Heads of structural sections of the central apparatus of State bodies and representatives responsible for implementation of the evaluation took part in the training.

During the first six months of 2014 the Commission has been discussing the technical conditions for the establishment of an evaluation system

In 2015, the Commission applied special software for service performance appraisal. The program provided a user name and password to each government body.

The training of civil servants on state bodies in connection with the performance appraisal system (central and local executive bodies, judicial authorities) 109 civil servants attended the event.

Overall, for the year 2014 and equivalent bodies in the central executive bodies, executive bodies of the Cabinet of Ministers, local authorities and third-seventh classification of administrative positions in the courts, in accordance with the provisions of the civil servant holding an administrative position in 8445, they the activities of 1449 are excellent, the activities in 5165, 1786, complete the activity, 45 were assessed as unsatisfactory in the activity.

According to the article 9.6 of the "Public servant performance evaluation rule", final report on the results of the assessment shall be submitted to the Commission before March 1st.

NGOs are informed about these activities. Information in open sources confirms the responses to the inquiries.

6 out of 6 maximum points on the methodology.

8.5 Development of pilot projects on introduction of rotation system in civil service and the related methodical guidelines. Implementers: *central executive authorities, Commission for Civil Service Issues under the President of Azerbaijan* - 2013-2014

In 2013 the introduction of the rotation system in the civil service regulations and national legislation with international experience, as well as the importance of rotation based on the analysis of

existing situation, the Commission has made proposals and those proposals are necessary in the rotation of the application of public service objectives, principles and conditions and limitations described in has found.

During the first 6 months of 2014 the Commission studied the experiences and suggestions internally. The pilot project has been prepared by the Commission on staff rotation.

The implementation of a pilot project for the implementation of the civil service in order to ensure rotation "rotation rules" were developed. The rules will be applied rotation positions, bases, rotation period, mandatory and voluntary rotation and other issues related to the intended rotation. Under those rules ensuring the most efficient use of the potential of civil servants in corruption being more at risk in order to eliminate the risk of the positions mentioned in the application is designed rotation.

Various rotations have been carried out in the State Agency for Public Service and Social Innovations and the State Social Protection Fund.

5 out of 6 points on the methodology.

8.6 Development of proposals on gradual increase of salaries of civil servants and strengthening their social protection. Implementers: *Cabinet of Ministers, Ministry of Finance* – 2013-2015.

Draft Order of the President of the Republic of Azerbaijan reflecting salary increase for civil servants, taking into consideration the changes made to the Law of the Republic of Azerbaijan "On Civil Service" and "Compendium of Classification of Administrative and Support Positions" has been prepared and presented. As a result, on December 2013, the President of the Republic of Azerbaijan issued Order #135 "On Making Changes to Order# 2934 of the President of the Republic of Azerbaijan dated July 9, 2008" and salaries of civil servants was increased starting December 1, 2013.

According to the mentioned Order, minimum level of monthly salaries of civil servants was increased as follows: from 175 AZN to 250 AZN for administrative positions and from 120 AZN to 150 AZN for support staff positions.

Besides, amounts of the bonuses given to civil servants based on their specialty degrees have been reviewed and increased starting December 1, 2013 based on Decree #39 of the President of the Republic of Azerbaijan “On Making Changes to the Guidelines on Assigning Specialty Degrees to Civil Servants” dated December 2, 2013 which was approved by Decree #589 of the President of the Republic of Azerbaijan on September 3, 2001.

Funds necessary for the increase are envisaged in 2014 and 2015 State Budget and allocated to the relevant State bodies in the established manner.

9 out of maximum 9 points on the methodology.

9. Preventing conflict of interests and submission of financial statements. Score on this area - 13 out of 24 points (54%)

9.1 Presenting proposals on improvement of the legislation on preventing conflict of interests in the activities of civil servants and State bodies. Implementers: *Cabinet of Ministers, Anti-Corruption Commission* – 2013.

Draft law “On Conflict of Interests” has been developed. At the same time, provisions to prevent conflict of interests are included in the laws of the Republic of Azerbaijan “On Code of Conduct for Civil Servants” and “On Civil Service”. NGOs are aware of the development of the draft law. Open sources have provided information on development of the draft law.

9 out of maximum 9 points on the methodology.

9.2 Organization of trainings on preventing conflict of interest. Implementers: *Anti-Corruption Commission, central and local executive authorities* – 2013-2015.

The Anti-Corruption Commission informed that trainings on prevention of conflict of interests are organized for all central executive authorities. The initially obtained information provides the ground to say that trainings were delivered to 60% of the local executive authorities. Internet resources have information about this. NGOs were involved in a number of trainings conducted in central and local executive authorities.

4 out of 6 maximum points on the methodology.

9.3 Development of proposals on electronic submission of financial statements by officials. Implementers: *Cabinet of Ministers, Anti-Corruption Commission* - 2013.

The Anti-Corruption Commission informed that “Constitution” Research Fund prepared draft of the template of “The Declaration of Financial Information by Officials” and submitted to the Commissions. Works on suggestions are going on.

NGOs presented those suggestions and discussed them with the Commission’s officials.

3 out of 9 points on the methodology.

10. Improvement of code of conduct. Score on this area - 30 out of 30 points (100%)

10.1 Organizing constant education course and trainings for civil servants on code of conduct issues. Implementers: *central and local executive authorities, Commission for Civil Service Issues under the President of Azerbaijan* - 2012-2015.

The Commission has sent letters to central and local executive authorities to ensure delivery of regular trainings on “Code of Conduct” and the authorities were recommended to have such trainings to be in compliance with Article 20.00.2 of the Law of the Republic of Azerbaijan “On Code of Conduct of Civil Servants”.

On December 16-17, 2013, the Commission conducted a workshop for ethics inspectors of the central executive authorities titled “Ethics in Civil Service”.

The Commission held 2 workshops (courses) and 8 trainings on code of conduct during first 6 months of 2013 and 2014.

Generally, 225 civil servants - including representatives of executive and local authorities and court system - were participated in the training conduct regarding “Ethics in Civil Service”.¹⁹.

6 out of 6 maximum points on the methodology.

10.2 Preparation of annual reports on code of conduct issues (the reports include information on the educational work done, cases of violation of code of conduct and applied punishment measures), submission of the reports to the Anti-Corruption Commission and their publication. Implementers: *central and local executive authorities, Commission for Civil Service Issues under the President of Azerbaijan* - 2012-2015

Central and local executive authorities prepare annual reports on code of conduct and submit them to the Commission. Integrated annual report of the Commission is posted in its website and media outlets are informed about this.²⁰

6 out of 6 maximum points on the methodology.

10.3 Defining effective mechanisms for investigation of complaints related to violation of code of conduct. Implementers: *central and local executive authorities, Commission for Civil Service Issues under the President of Azerbaijan* – 2013-2014

Practices of foreign countries, including Turkey, Kazakhstan and Great Britain have been studied for identification of effective

¹⁹http://www.dqmk.gov.az/aze/downloads/hesabatlar/fealiyyet/2015_hesabat_illik.pdf

²⁰<http://az.trend.az/news/society/2116060.html>

investigation mechanisms for consideration of the complaints on violation of the code of conduct. It is planned to develop and submit draft law on making corresponding changes to the Law of the Republic of Azerbaijan “On Code of Conduct of Civil Servants”.

6 out of 6 maximum points on the methodology.

10.4 Creation of a special section on code of conduct in the websites of State bodies (electronic complaint mechanism on violations of code of conduct, ethic rules, ethic report and etc.).

Implementers: ***central and local executive authorities*** - 2013

Websites of all 40 central executive bodies have “Code of Conduct” posted and all 92 local executive authorities receive complaint on non-ethical conduct cases via their websites. The Report on Violations of the Code of Conduct is publicized by the Commission on Civil Service Issues in a centralized manner.

6 out of 6 points on the methodology.

10.5 Defining the education module and minimum terms for teaching the code of conduct, organizing trainings on this topic.

Implementers: ***Anti-Corruption Commission, Commission for Civil Service Issues under the President of Azerbaijan*** - 2013.

During 2013, the Commission did some work on formation of training standard on ethics issues and developed a training module on code of conduct. The training module includes training programs and hours, presentation on code of conduct, methodical manual and video presentation on code of conduct. The video on code of conduct has been posted on the Commission’s website. The presentation displays importance of ethical behavior, main ethical principles and oversight on ethical issues.²¹

²¹ <http://www.csc.gov.az/index.php/home/post/1229>

As an element of the training module, the Commission prepared a book on ethical behavior issues. The book covers the following topics: definition of ethics, importance of ethical behavior in civil service, ethical dilemmas civil servants may face, the principles envisaged in the legislation, control over observation of the code of conduct, ethics advisors, receipt of gifts and etc. It is planned to distribute the book to all central and regional executive authorities, as well as to judiciary bodies.

6 out of 6 points on the methodology.

11. Improvement of municipalities' activities. Score on this area - 21 out of 24 points (87.50%)

11.1 Development of proposals on competitive and transparent admission to service in municipal staff. Implementers: *municipalities, Ministry of Justice* - 2013.

Amendments to the Law of the Republic of Azerbaijan "On Municipal Service" included proposals on the provisions of the law related to competitive hire process for municipal staff and increase of transparency. The draft law has been submitted to the Parliament for discussion.²²

On 13 February 2015, "municipal service" were made to the Law of the Republic of Azerbaijan. In accordance with this change, the Council of Ministers Resolution No. 324 dated 13 October 2015, the "Declaration of the municipal civil service competition, documents, implementation and evaluation of the results of the competition" The rule was approved.

9 out of maximum 9 points on the methodology.

²² <http://az.trend.az/azerbaijan/society/2360951.html>

11.2 Organization of trainings, education courses and seminars for municipal staff on anti-corruption issues. Implementers: *municipalities, Ministry of Justice* – constantly.

In the first half of 2014, municipal councilors and staff members were lectured on anti-corruption issues during educational courses arranged in the Academy of Justice. At the same time, workshops have been delivered on combating corruption.

The topic titled “Development and implementation of local budget, correspondence of expenditures to approved budget line items, approval of financial reports” was covered during the courses organized for municipal councilors and staff members.

At the same time, lectures on “New budget and organization of its interaction with the State budget”, “Increase of accountability, transparency in activities of municipalities and the issues of combating corruption” were listened by municipal chairpersons in the advanced development course organized in cooperation with the Public Administration Academy under the President of the Republic of Azerbaijan and held April 7-11 and.

Besides, regional trainings on “Introduction of financial reporting in municipalities” have been delivered for financial managers of municipalities in cooperation with GIZ.

At the same time, methodical guide titled “Summary of issues related to introduction of financial reporting in municipalities” has been developed and distributed to municipalities.

In 2015, the Academy of Public Administration under the President of Azerbaijan jointly with the Academy of Justice in the course of 24 municipal representatives and employees 940 people and has been involved in these courses.

During the year, 84 workshops and seminars were hold, the scope of the municipality and council members expanded their number and reached 5090.

17 seminars held by the Ministry of Justice of the Nakhchivan Autonomous Republic, 931 municipal representatives and employees were involved in those events.

In general, the 125 event and these events have been involved in 7,000 municipal representatives and employees.

Training courses and seminars on current issues in the programs of importance, given the suggestions and needs of the municipalities were considered. Topics mainly to increase transparency in the formulation and use of the local budget, employment law, archival organization, local taxes and fees, and so on was related matters.

6 out of 6 maximum points on the methodology.

11.3 Development of code of conduct for municipal servants.

Implementers: *municipalities, Ministry of Justice* - 2013.

In 2014, the Law "On Code of Conduct of Municipal Servants" has been drafted and submitted to the Parliament for discussion.²³

In 10th of July, 2015 the Law "Municipality Servants Ethic Code" has been accepted.

9 out of 9 points on the methodology.

12. Improvement of the favorable environment for entrepreneurship activities Score on this area - 38 out of 42 points (90%)

12.1 Studying problems faced by entrepreneurs in their relations with the State bodies and identification of measures for their solution. Implementer: *Ministry of Economy and Industry* – constantly.

During the year 2015, was in the entrepreneurs 38650 check book. "195-2" prefix number and date of September 1, 2009, covering all regions of the country officially in the Call Center of the Ministry of Economy and Industry was established. September 1,

²³ <http://az.apa.az/news/371638>

2009 until January 1, 2016, Central 44529, including 15571 in 2015 and were sent to the applicant.

Control of inspections of business entities in the records books were analyzed and efficient communication system is comprised of entrepreneurs, those who hinder their activities and illegal interference systemized information has been submitted to the President.

4 out of 6 maximum points on the methodology.

12.2 Development of the integrated registry of the inspections carried out in the entrepreneurship sphere, including automation of information transfer to the registry. Implementers: *Ministry of Justice, Ministry of Finance* – 2013-2014

The software of the integrated registry of inspections in the entrepreneurship sphere carried out in 2013 has been improved, and entity codes for further clarification of inspections have been introduced to widen the mutual integration with the Ministry of Taxes.

Moreover, for the purpose of implementation of the Law “On Regulating Inspections in the Entrepreneurship Sphere and Protection of Entrepreneurs’ Interests” and the decree on its execution date August 28, 2013, as well as in order to improve and expand the existing system, new technical program specifications have been developed, the implementing organization has been contracted and the initial works have started.

In connection with the effectiveness of the Law “On Regulating Inspections in the Entrepreneurship Sphere and Protection of Entrepreneurs’ Interests” since March 1, 2014, the existing information center underwent certain changes to ensure implementation of the law’s requirements. Introduction of information on the risk groups and list of questions has already become possible.

For the purpose of maintaining, observing the Integrated Registry of Inspections in the Entrepreneurship Sphere that operates in the

system of the Ministry of Justice and providing it with Internet, funds have been envisaged in the State budget for 2013 and 2014 upon request of the Ministry, and allocation of funds from 2015 State budget are planned.

For the purpose of covering necessary costs for improvement of the registration system of the Integrated Registry of Inspections in the Entrepreneurship Sphere, in accordance with Order of the Cabinet of Minister, the Ministry of Justice has been allocated with finances from the Resource Fund envisaged in 2013 State Budget.

NGOs have information about this matter.

6 out of 6 maximum points on the methodology.

12.3 Improvement of the electronic portal and the telephone service for receipt of information on illegal inspections in the entrepreneurship sphere. Implementers: *Ministry of Justice, Ministry of Economy and Industry* – 2013.

“Statute on the Form and Maintenance of the Integrated Registry of Inspections in the Entrepreneurship Sphere” has been approved by Decree #383 of the President of the Republic of Azerbaijan dated February 15, 2011 and the Integrated Registry of Inspections in the Entrepreneurship Sphere has started operating since May 1, 2011. Registration of actions of public control in the Registry enables to oversee frequency of the conducted inspections, as well as to inform entrepreneurial entities about the planned inspections in advance and their results. The Integrated portal of the registration-information system that ensures maintenance of the Registry, its utilization and protection of the data thereto has been located in www.yoxlama.gov.az website for use of inspecting bodies and entrepreneurial entities.

E-Service section for entrepreneurs has been established in the website of the Ministry of Justice to inform about illegal inspections.

Decree of the Cabinet of Ministers dated October 28, 2013, according to the Taxation, Finance, Justice, Economy and

Industry, Labour and Social Protection Ministry and the State Customs Committee and the State Social Protection Fund, which will cover the areas of operations, "Universal Call Center area of entrepreneurship" it was intended to establish.

195 Call Center on February 4, 2015, the date of the population, including entrepreneurs and high-quality answers to the questions, complaints, and began to serve the purpose of the adoption of proposals. Call Center of the Ministry of Finance, Ministry of Taxes, Ministry of Economic Development, Ministry of Justice, Ministry of Labor and Social Protection, State Customs Committee and the State Social Protection Fund is connected.

6 points (out of 6 max) on the methodology.

12.4 Development of proposals on responsibilities of the inspectors and inspecting bodies in the cases of appointment, conduct of illegal inspections and taking measures on their findings. Implementer: *Ministry of Justice* – 2013.

In accordance with Article 35.1 of the Law “On Regulation of Inspections in the Entrepreneurship Sphere and Protection of Entrepreneurs’ Interests”, relevant draft amendments to the Code of Administrative Offences of the Republic of Azerbaijan has been prepared and submitted. The amendments are related to administrative accountability of the persons who committed unregistered inspection, did not include information to the Registry on annual inspection plan, results of inspections, as well as on application of restrictive measure, illegal restriction of entrepreneur’s activities, deviation from the time, timeframe and inspection questions, conduct of inspection in different address and by different inspectors.

6 out of 6 points on the methodology.

12.5 Creation of a risk assessment system related to inspections in the entrepreneurship field and their sanctioning based on management of risk assessments. Implementer: *State bodies carrying out public regulation and control* - constantly.

In the last two inspections in the field of business regulation, making a single set of rules and legislative initiatives to prevent unlawful interference with the activities of entrepreneurs, a number of practical steps have been taken. The law "Regulation of inspections in the field of entrepreneurship and protection of entrepreneurs' interests," was accepted on 1st of March 2014.

The law identified the Entrepreneurs` risk group (high, middle and low) and inspections of business entities will be carried out according to the same division. Its allowed to hold inspections in a high-risk businesses no more than a year, and not more than two times a year in the average-risk entitites. However it allowed to provide inspection in low-risk business entities three times a year. According to the law, a list of questions to be answered during the audit should be published by the inspected body in each web-site.

The law is intended forms of unscheduled and planned inspections. It should be noted that the law specifies the basics of unscheduled inspections. The period of planned inspection process should not be carried out more than 10 working days with respect to large-scale enterprises, and 5 working days with respect of middle and low-scale enterprises. However, the period of unscheduled inspection should not exceed more than 5 working days with respect to large-scale enterprises and 3 working days with respect of middle and low-scale enterprises.

Unscheduled inspections may be specific cases where required by law. Also, in order to increase the transparency and accountability of authorities checking the performance appraisal and inspection report once a year to give an indication of the relevant information in the body have been identified.

In June, 2015 the "large, medium and small entrepreneurs` criteria" was approved by the Cabinet of Ministers.

On 26 October 2015, the "suspension of inspections in the field of entrepreneurship" on the Law of the Republic of Azerbaijan was adopted.

According to the law the inspections has been suspended in the field of entrepreneurship for a period of 2 years. During this period, inspections defined by the relevant executive authority - tax audits, human life and health, and creates a serious threat to national security and economic interests, etc. can be carried out.

President of the Republic of Azerbaijan dated 26 October 2015, "with the suspension of inspections in the field of entrepreneurship" on the life and health of the people according to the law, which creates a serious threat to national security and economic interests will be allowed to carry out inspections on the list of cases have been confirmed.

6 out of 6 points on the methodology.

12.6 Acceleration of preparation of draft law on regulating the inspections in the entrepreneurship sphere and protection of entrepreneurs' interests. Implementer: *Administration of the President of the Republic of Azerbaijan* -2012.

The Presidential Administration informed that the President of the Republic of Azerbaijan had drafted the law "On Regulating the Inspections in the Entrepreneurship Sphere and Protection of Entrepreneurs' Interests" and submitted it to the Parliament of Azerbaijan. The draft law has been accepted by the Parliament.

6 out of 6 points on the methodology.

12.7 Taking measures in all spheres to reduce the scope of cash operations and to increase non-cash ones. Implementers: *Cabinet of Ministers, Ministry of Taxes, Central Bank* – 2013-2014

As a result of joint measures taken by the Ministry of Finance and the Central Bank, the Ministry of Justice has also been integrated into the Government Payment Portal. To this end, relevant lists on the budget classification codes of fees collected by the Ministry of Justice and treasury details of the organizations collecting the fees have been identified, all technical and other issues related to connection of the information system of the Ministry to the Government Payment Portal have been discussed.

In case of emergence of VAT interests of tax payers through VAT deposit accounts, a mechanism for automatic write-off of the debt amount from the sub-record account to budget has been established in the Online Tax Department and put into operation since October 21, 2013.

As a result of joint measures taken by the Ministry of Finance and the Central Bank, an electronic payment system of taxes and fees has been established. 154,4 million AZN from 754.163 payments was transferred to the State budget during the past period of the report year using this e-service.

The relevant software of the Ministry has been improved to arrange control over the process of expanding the use of POS-terminals, including preparation and submission of POS-terminal notifications.

The Advertisement billboards promoting benefits of non-cash payments in the territory of the country have been renewed and the work is continued.

In order to support public discussions for reduction of cash and increase of non-cash transactions, officials of the Ministry in close cooperation with media people, gave interviews during analytical programs in some TV channels and several articles promoting and stimulating non-cash transactions have been publicized in the printed press.

Upon initiative of “taxes” newspaper – official organ of the Ministry of Taxes, a roundtable discussion titled “The level of non-cash transactions is an important indicator of transparency and accountability” has been held in the International Press Center and widely covered in the mass media.

In 2013, at the initiative of the “Taxes” newspaper, an individual journalist articles competition was announced. One of its topics was “development directions of non-cash payment system”. The competition involved 15 articles and editorials from various media outlets. All the articles and editorials have been published in the press and the winners were awarded.

During 2013, the development of card infrastructure has accelerated and the number of debit cards reached 5,5 million pieces. In comparison with 2012, increase in the number of cards was 9%, in the number of ATMs – 8%, and in the volume of non-cash transactions via POS-terminal – 1,8 times.

During last 5 years, the total volume of non-cash transactions through payment systems increased for 45,9%. The proportion of the total payments through non-cash systems to GDP in 2009 was 2,26 times, in 2010 – 2,04 times, in 2011 – 2,15 times, in 2012 – 2,2 times and in 2013 – 1,98 times. In 9 months of 2014, the total amount of non-cash transactions was for 9,313 million manat more than in 2009. In other words, this amount constituted 87,624 million. manat in 2014.

4 out of 6 points on the methodology.

13. Improvement of audit services. Score on this area - 24 out of 27 points (89%)

13.1 Continuation of activities related to introduction of international independent audit standards (IAS). Implementer: *Audit Chamber* – constantly.

Introduction of IAS started since 2010 and current joint works of the International Federation of Accountants (IFAC) and the Ministry of Finance are continued²⁴.

6 out of 6 points on the methodology.

13.2 Drafting development concept of the auditor service based on the international experience. (2012-2020). Implementer: *Audit Chamber* - 2013.

²⁴<http://www.azerbaijan-news.az/index.php?mod=3&id=16510>

The Audit Chamber stated that they finalized the work on the draft concept of development of audit in the Republic of Azerbaijan by 2020.²⁵

6 out of 6 points on the methodology.

13.3 Taking measures for defining mechanisms related to application of administrative responsibility for refraining from mandatory audit. Implementer: *Ministry of Taxes, Audit Chamber* – 2013.

The works for defining mechanisms related to application of administrative responsibility for refraining from mandatory audit are continued²⁶. The Ministry of Taxes expressed its opinion to the relevant draft prepared by the Audit Chamber in April 2013.

The Ministry of Taxes provided its remarks and suggestions regarding the draft “Agreement on Identification of Mechanisms related to Application of the Administrative Responsibility for Evasion from Compulsory Audit” prepared by the Audit Chamber.

3 out of 6 points on the methodology.

13.4 Development of proposals on improvement of the legislation on internal audit. Implementers: *Cabinet of Ministers, Ministry of Finance, Chamber of Accounts, Audit Chamber* – 2013

“Development Concept for the Audit Service on the Republic of Azerbaijan for 2012-2020” has been prepared. The Concept was presented on April 11, 2014. The part of the Concept related to the audit sphere has been drafted taking into consideration foreign practices and recommendations of international financial institutions.

²⁵<http://www.aztv.az/readnews.php?lang=az&id=10998>

²⁶http://www.audit.gov.az/uploads/2012-2015-ciller_Auditorlar_Palatasinin_Aciq_Hokumet_Is_Plani.pdf

The main objective of the Concept is to identify future development directions of the audit service in Azerbaijan, expansion of introduction of international audit standards, recognition of the role of the auditor profession in the society, development of audit market, wider use of audit services for ensuring transparency in economic and financial relations, increase of responsibility of auditors in combating corruption, protection of interests of the users of audit services and improvement of regulatory activities in this field.

9 out of 9 points on the methodology.

14. Improvement of public procurement and increase of transparency. Score on this area - 27 out of 48 points (56%)

14.1 Introduction of e-public procurement system. Implementers: *Public Procurement Agency, central and local executive authorities* - 2013.

Although conduct of e-tender is on the agenda of the Agency for quite some time, no serious progress has been observed in this direction. The Agency has been providing 3 e-services required by the Cabinet of Ministers; however, these services cover only basic aspects of the public procurement process.

The Agency is planning to present the tender in 4 phases and only Phase 1 has been finalized:

- posting calls for tender on e-page,
- posting tender document on e-page,
- e-submission of tender proposals,
- e-evaluation of tender proposals.

The Chamber of Accounts failed to organize evaluation of public procurements, whereas the methods and measures to be introduced for making tenders transparent and accountable are of utmost importance for sound checks and balances system.

The Agency developed a package of proposals to the Law “On Public Procurement” for increase of effectiveness of anti-corruption measures and transparency and competitiveness of the

tender process, and submitted it to the Cabinet of Ministers on November 12, 2012.

The proposed suggestions include the following: Procurement planning and posting procurement plans on the official website; identification on general principles of introduction of e-procurement; provision of environment preventing discrimination against bidders; publication of estimated price; simplification of submission of documents by bidders; exclusion of comparison on non-required criteria during bidders proposal evaluation; limitation of fee for participation in tender to fees for announcement, multiplication , distribution of tender documents and when necessary costs for their translation; limitation of possibilities to use non-competitive methods.²⁷

3 out of 6 points on the methodology.

14.2 Improvement of the control over execution of public procurement agreements, including payments on those agreements. Implementers: **Public Procurement Agency, Ministry of Finance, Chamber of Accounts** – 2013-2014

The draft Law “On Making Changes to the Law of the Republic of Azerbaijan “On Public Procurement”” prepared by the Public Procurement Agency included provision on improvement of the control over implementation of public procurement contracts. The Ministry of Finances provided its feedback to the revised version of the mentioned law.

For better solution of issues ensuing from the requirements of Article 23.2 of the Law of the Republic of Azerbaijan “On Public Procurement“, the Ministry of Finance approved “The Guidelines

²⁷ National Transparency System Report developed by Transparency Azerbaijan within “National Transparency System” project implemented with financial support of the European Union (<http://transparency.az/milli-s%C9%99ffafliq-sistemi/>)

of Participation of Representatives of the Ministry of Finance in Tender Commission”, approved by Decision of the Ministry’s Collegium on July 16, 2013.

The State Treasury Agency strengthened its financial oversight on purposeful spending of the budget funds. Respective documents of the State-funded organizations required for undertaking budgetary and extra-budgetary expenditure operations have been analyzed, their compliance to the existing normative documents has been identified and then the expenditure operations have been carried out.

No available information. 1 out of 6 points on the methodology.

14.3 Establishment of a mechanism preventing participation of physical persons and legal entities, violated the law during bidding for public procurement and implementation of procurement contracts, in future public procurement processes. Implementers: *Public Procurement Agency, central executive authorities* - 2013-2014

The draft Law “On Making Changes to the Law of the Republic of Azerbaijan “On Public Procurement”” prepared by the Public Procurement Agency also included provisions preventing participation of physical persons and legal entities, violated the law during bidding for public procurement and implementation of procurement contracts, in future public procurement processes.

1 out of 6 points on the methodology.

14.4 In order to protect the rights of bidders participating in State Procurement tenders, taking appropriate measures to handle complaints without delays. Executed by: *State Procurement Agency, the central and local executive bodies* – in regular basis. Although the Law “On Public Procurement” has a section on consideration of complaints, the role of the Public Procurement Agency in this process and the manners for independent investigation of complaints have not been specified. The Agency submitted its proposals with regard to these issues. Information

about more than 75% of public procurement operation such as procurement plans, tender opportunities and contract notifications have been made public. No information is publicized on the complaint resolution.

The Ministry of Economy and Industry informed that according to Article 23.2 of the Law of the Republic of Azerbaijan “On Public Procurement”, the representatives of the Ministry assigned to the composition of the tender commission have controlled implementation of procurement procedures in accordance with the relevant legislation and no complaints have been received from bidders up to date.

1 out of 6 maximum points on the methodology.

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14.5 Informing law-enforcement bodies on the corruption cases detected in public procurement actions. Implementers: *Public Procurement Agency, central and local executive authorities* – constantly.

2013-2014, approximately 38-40% of the state budget has been implemented through public procurement. More than 60% of the cost subject in construction procurement.

One fact should be noted that the Cabinet of Ministers for the period of 2013- 2014 reports on the activities carried out on a competitive basis by state enterprises and organizations 12412 and 9549, respectively, as shown in the number of purchases. At the same time, the cost savings are likely to purchase a portion of the subject, respectively, 5.56% and 4.36%, respectively. Apparently, the number of competitions in 2013-2014, where competition has been reduced by 23.1%.

Accounting Chamber "State Procurements" it is noted that the proposals to improve the law "during the procurement competition" Public Procurement "some gaps in the articles of the law, as well as provisions that can not be interpreted unambiguously provides ample opportunities for the subjective approach."

One source procurement method of use" (Article 21) Article "abstract norms", "of the imaginary" and "vague criteria" direct procurement contract without tender offers an opportunity for closure.

No information about corruption in the public procurements is available on the website of the State Procurement Agency. Project experts couldn't find any information on any of the measures taken concerning the detected corruption cases in public procurement.

For Methodology, 3 points from the maximum 6 points.

14.6 Development of a methodology for defining estimated prices during implementation of public procurement actions. Implementers: ***Public Procurement Agency, central and local executive authorities*** - 2013-2014

The Public Procurement Agency has drafted "The Methodology for Defining Estimated Prices during Implementation of Public Procurement Actions"

6 out of 6 maximum points on the methodology.



14.7 Development of procurement plans by procurement organizations and their posting on the website of the State Agency for Public Procurement. Implementers: ***Public Procurement Agency, central and local executive authorities*** – 2013.

Information on 2014 procurement plans submitted by procurement organizations to the Public Procurement Agency have been posted on official website of the Agency (<http://tender.gov.az/new/index.php?inc=plan>).

6 out of 6 maximum points on the methodology.

14.8 Creation of an integrated registry of the procurement contracts concluded through the public procurement procedures and posting the registry on the website of the State Agency for

Public Procurement. Implementers: *Public Procurement Agency, central and local executive authorities* –2013.

Public procurement procedures by the State Procurement Agency was established as a result of a single register of procurement contracts in the Agency's website. State Procurement Agency for the year 2014, 10812 pieces of information placed on the purchase agreement. 620825221.40 during 2014 worth of procurement was carried out.

Data for the first half of 2015, the agency posted on website (<http://tender.gov.az/new/index.php?inc=reestr.>)

6 points (out of 6 max) on the methodology.

15. Increasing transparency in maintaining the State Registry of Real Estate Score on this area - 22 out of 24 points (92%)

15.1 Development of proposals on simplification of the guidelines for registration of the property rights. Implementers: *Cabinet of Ministers, State Committee on Property Issues* – 2013.

The Law of the Republic of Azerbaijan #880-IVQD of December 27, 2013 approved changes to the Law of the Republic of Azerbaijan “On the State Registry of Real Estate”. These changes envisage real time electronic issuance of real estate descriptions and electronic receipt of notarized notes on the rights registered in the State Register and limitations over them (debt-saddled property), electronic and immediate transfer of notarized agreement to the State Registry, exchange of information through electronic information systems, and ensuring issuance of paper or electronic version of reference or justified rejection letter by the registration body to the requestor within 1 working day.

As a result of 2014 Azerbaijan got the 10th place for property registration in the rating table of "Doing Business-2015".

According to the report, Azerbaijan has been included among the top ten states for conducting most successful reforms. Azerbaijan has been included in the top ten for economic reforms carried out in 3 economic spheres, one of them being in the real estate

registration area. In 2013, Azerbaijan was ranked 13th for property registration, but thanks to the reforms carried out in this field, it reached 10th place in 2014 making progress 3 places ahead. The report specifically highlights as the most important achievement in the area of property registration the online issuance of references on real estate encumbrances, which further simplify the registration process.

The Committee, by taking into consideration citizens' needs for services in relevant areas, has also established the mobile offices of the State Real Estate Register Service in order to make available to citizens the services for state registration of real property ownership and other property rights, to set interactive interaction practices with residents, to increase the efficiency of the state registration of real estate, and the relevant rules have been developed and approved by the relevant order of the State Property Committee.

The above-mentioned rules have identified the procedures to provide citizens with services concerning the state registration of real property and other proprietary rights outside the administrative buildings of territorial departments and divisions, and for establishing mobile offices, service vehicles have been attached to the service in the area.

Real estate registration in Azerbaijan in the field of the best in the world. The report, which took 1st place in the ranking due to the overall economic indicators for property registration in Singapore ranks 24th. For comparison, for property registration in neighboring countries, Russia in 12th, while Turkey ranks 54th. The report, US 29th, Austria 35th, Britain 68th, Germany 89th, Japan is ranked 73 th.

The report states that 3 procedures are required in Azerbaijan for registration of property, which may take up to 8.5 days. Thus, the process requires averagely 3 procedures, and cost is equal to 0.4% of the property's value. According to the rating, this is one of the best indicators.

According to the "Doing Business 2015" report, Azerbaijan improved its position, ranked in 63 out of 80th.

Doing Business 2016" report, the 3-pointer ("starting business", "construction permits" and "protect the interests of small investors") was highlighted reforms to improve the business environment.

Valuable work has been done under the World Bank supported "Real Estate Registration Project" since 2007. Simplification of the rules for registration has led to obtaining documents quicker too. Issuance of statements on re-registration of property rights in 2005-2009 was taking from 20 to 30 days, and in 2010-2012 – 14-18 days, since 2013 this period reduced to 7 days, and certificates of other real estate – went down to 1 day.

6 out of 6 maximum points on the methodology.

15.2 Ensuring electronic obtain of information and documents from the State registry of Real Estate. Implementer: *State Committee on Property Issues* – 2013.

According to “The Guidelines for Providing E-Services on Individual Fields by the Central Executive Authorities” approved by the Cabinet of Ministers’ Order #191 of November 24, 2011 and “The List of E-Services”, the State Committee on Property Issues is supposed to provide 6 e-services.

Necessary and regular efforts have been made to extend the list of e-services provided by the Committee and as a result, by the Cabinet of Ministers’ Orders # 145 of June 20, 2013, #105 of April 16, 2014 and #266 of July 31, 2014, changes were made to Order # 191 of the Cabinet of Ministers of November 24, 2011 on approval of “The Guidelines for Providing E-Services on Individual Fields by the Central Executive Authorities” and “The List of E-Services”, and the number of e-services provided by the State Committee on Property Issues has been increased.

The Committee is currently providing 31 e-services. 18 of them are related to the State registry of ownership over real estate. 4 out of 31 e-services are informative and 27 are interactive.

The mentioned interactive services are those dealing with privatization of stocks of JSCs, small State-owned enterprises and entities, incomplete constructions and vehicles which belong to governmental bodies.

The applications for participation in privatization of State property are accepted electronically. Besides, the following e-services are being provided: reports on protection, management and status of use of the State property, service fee for renting the State property, extracts on real estate, mortgage, registration and cancellation of leasing operations, provision of information from the State Property Registry. All the e-services have been integrated into the “R-Government” portal.

Total number of e-requests entered the departments of the Committee in 2014 is more than 158 000.²⁸

In 2015, the Committee on the activities of legal entities and individuals through e-services to the nearly 290000 applications were received.

The Committee has provided the registration services to special class of people in cities and regions through mobile offices, since April 2014. These services include primary and secondary registration of private houses, apartments, summer houses, land plots, non-residential facilities, issuance of real estate plan-designs, preparation of technical passports, certificates of real estate encumbrances. During the services in the Mobile office, the documents presented citizens are immediately checked, received, and information about further procedures are provided. Mobile office services can be made available by calling the hotline number 148 in the State Real Estate Register Service.

²⁸ <http://www.stateproperty.gov.az/index.php/az/x%C9%99b%C9%99r-arxivi/1104-%C9%99mlak-m%C9%99s%C9%99l%C9%99l%C9%99ri-d%C3%B6vl%C9%99t-komit%C9%99si-2014-c%C3%BC-ild%C9%99-h%C9%99yata-ke%C3%A7irilmi%C5%9F-f%C9%99aliyy%C9%99t%C9%99-dair-m%C3%BC%C5%9Favir%C9%99-ke%C3%A7irib>

The purpose of organizing the mobile office services in the addresses is to deliver services to citizens in more convenient and affordable ways, and to save time. So far, about 96 thousand citizens have been provided with registration services through mobile offices.

4 out of 6 points on the methodology.

15.3 Improvement of exchange of information between real estate registration agencies and notary offices. Implementers: *State Committee on Property Issues, Ministry of Justice* – 2013.

According to Article 5.6 of the Republic of Azerbaijan, exchange of information between the State Committee on Property Issues and the Ministry of Justice via electronic information systems has been carried out. Since March 3, 2014, reference notes covering description of the real estate, the rights over the property registered in the State Registry and limitations over them (debt-saddled property) are received by notary offices in the real time mode.

6 out of 6 points on the methodology.

15.4 Broadening exchange opportunities between the State Registry of Real Estate and other information systems (databases, information-search databases, registries and etc.) and provision of data reliability. Implementers: *State Committee on Property Issues, relevant governmental bodies* – 2013-2014

“The security requirements for exchange of information, mutual cooperation between the State Committee on Property Issues and the Ministry of Justice via electronic information systems, as well as the guidelines for payment of the fee for reference notes” have been approved by Decision #3 of the Collegium of the State Committee on Property Issues on February 14, 2014, and became effective from February 25, 2014 upon inclusion in the State Registry of Legal Acts of the Republic of Azerbaijan under the number 15201402140003.

6 out of 6 points on the methodology.

16. Improvement of issuance of licenses, permissions and certification work Score on this area - 24 out of 24 points (100%)

16.1. Presenting proposals on simplification of terms and conditions for issuance of licenses and permissions. Implementer: *Cabinet of Ministers* – 2012.

On December 21, 2015, President of Azerbaijan Republic Ilham Aliyev signed the Decree “On some measures in the field of licensing”. According the Decree, the number of licensable activities is reduced from 59 to 37 (including 4 cases arising from the state security) and the licenses issued for the canceled 22 activity types make up 75 per cent of all valid licenses. Furthermore, all licenses, including valid term licenses, have been made termless, the amount of state fees payable for the issuance of licenses have been reduced 2 times, the number of state agencies that issue licenses has been reduced from 23 to 4, the process of issuing licenses has been reduced from 15 working days to 10 working days, the procedures required for the issuance of licenses have been significantly simplified, and for entrepreneurs seeking to get licenses, counseling services are provided by the Ministry of Economy and Industry at “ASAN service” centers, to protect entrepreneurs against loss of time and additional paperwork.

02.11.15 by the Ministry of Economy and Industry. 31.12.15 date. until "ASAN service" centers of 264 licensed entities through the 202 licenses in the city, while 62 are in regions.

With regard to the types of permissions for business entities of legal and physical persons in the Azerbaijani legislation, it should be noted that their total number is 305, including 46 permissions, 1 expert examination, 90 special consent (license), 27 special permissions, 1 confirmation note, 2 technical check, 3 technical condition, 1 technical review act, 2 order, 52 certificates, 19 opinions, 3 legalizations, 2 consents, 4 agreements, 2 registration documents, 3 technical passports, 47 other types of permissive

documents. Presently, the number of to-be-licensed activity types is 59. The number of to-be-licensed activates was not more than 40 in the decree of January 27, 1997. The number of to-be-licensed activates was reduced from 240 to 30 groups by the decree of September 2, 2002. Afterwards, several amendments increased this number to 85, but as a matter of fact, 240 types of activates were licensed in reality, i.e. executive bodies expanded the list gradually. It should be noted that the number of to-be-licensed types of activities in EU countries ranges from 30 to 90, and it is 300 in Japan.

However, thank to more elaborate institutional environment, this fact does not obstruct development of entrepreneurship in those countries. Basically, the number of the applied licenses should be optimized on one hand, but on the other hand, control over their issuance by the central and local executive authorities must be tightened. Among governmental agencies, the State Committee on Securities (SCS), the Ministry of Emergency Situations (MES), the Ministry of Communication and Information Technologies (MCIT), and the Ministry of Agriculture (MoA) are the leading agencies in terms of the number of issued licenses.

6 out of 6 maximum points on the methodology.

16.2 Organization of e-services for issuance of licenses and permissions. Implementers: *relevant central and local executive authorities* – 2013-2014

The Decree of President of the Republic of Azerbaijan, dated 31 August 2015, “On some measures for increasing transparency in provision of public services, and licensing of registration of residence and licensing procedures” was signed. According to the Decree, it’s envisaged that the Ministry of Economy and Industry of the Republic of Azerbaijan together with the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan is to create “E-Licensing” portal for issuance of special permits (licenses), certificates, licenses and

other documents necessary for implementation of entrepreneurial activities in electronic format.

Currently, measures are being taken towards the establishment of an electronic licensing portal, and with the launch of it, the issuance process of licenses and permits will be completely electronic, optimizing the time and financial costs, harmonizing information systems of government bodies, and ensuring interactions will be possible.

6 out of 6 maximum points on the methodology.

16.3 Presenting proposals on cancellation or simplification of re-certification of the goods imported from EU and OECD member States and having compliance and quality certificate. Implementer: *Cabinet of Ministers, State Committee on Standardization, Metrology and Patent* – 2013.

No available information. 0 out of 6 maximum points on the methodology.

16.4 Ensuring and promoting the activity of “The Electronic Information Portal on Permissions”, posting of newly received information on permission documents and legislative drafts on the portal. Implementer: *Ministry of Economy and Industry, State bodies carrying out public regulation and control*– 2013.

For the purpose of controlling “The Electronic Information Portal on Permissions” (www.icazeler.gov.az), regular review of the information and examination of drafts, respective measures have been taken by the Order of the Ministry of Economy and Industry #F-44 “On Regulation of Issues related to the management of the Electronic Information Portal on Permissions”, dated April 10, 2012. According to 2014 data, total 325940 users have benefitted from the portal.

The draft legislation prepared by totally 131 bodies, among them being 16 central and 1 local executive authorities, has been uploaded in the service sector of the “draft legislative acts in the field of entrepreneurship” in the Electronic Information Portal of

Permits. According to information on the end of 2015, the portal has been benefited by a total of 216 665 users. Users from 85 foreign countries have applied to the Portal.
6 out of 6 maximum points on the methodology.

**17. Increase of effectiveness of tax control and inspections.
Score on this area - 24 out of 30 points (80%)**

17.1 Automation of tax audit selection process and development of selection standards. Implementer: *Ministry of Taxes* - 2013-2014

Selection criteria for tax audits are specified in “The Guideline on Conduct of Tax Audits” approved by Order # 1317040100209400 of the Ministry of Taxes, dated March 3, 2013. 6 risk models’ standards based on the risk models stipulated in Item 17 of the mentioned Guidelines have been defined and the selection processing the audit model of the Automated Tax Information System (ATIS) has been fully automated.

The Guidelines defined methods of use of the information obtained through search engine of the audit selection system, from declarations of tax payers and foreign sources for the purposes of mobile audit inspections within ATIS project. Also risk-based automated selection method has been developed for audit purposes, which enables to automatically provide users with the results under all models and sub-models.

6 out of 6 points on the methodology.

17.2 Establishment of standard indicators system and software for conduct of in-house and mobile tax inspections. Implementer: *Ministry of Taxes* - 2013-2014

The following 4 selection methods have been developed for the purpose of conduct of next mobile tax inspections based on “The Guidelines for Conduct of Tax Inspections”:

1. Random audit selection. This random selection method is used for tax audit of the tax payers who have tendency to evade from paying taxes.
2. Selection of audit based on known sources. This is an audit technique necessary to implement over large companies and leading sectors. Among others, the tool enables to investigate, without conducting mobile inspection, the discrepancies between the information available in the customs bodies, as well as official information of other sources and the information from the reports submitted by tax payers, also discrepancies in declarations or other documents submitted to tax bodies causing tax evasion.
3. Selection of audit referring to other information. This method ensures making right decision based on the years of hands-on experience of the persons conducting audit. It is about inspecting by tax bodies the activities of tax payers undertaken during the last year, based the information of other tax and governmental bodies, and other information from known sources.
4. Selection of audit through software models. Selections on 6 independent risk models in ATIS audit module has been conducted for selection of audit through software models. Final risk scores calculated as a result of the selections constitute the basis for conduct of next mobile tax inspection.

Additionally, development of risk assessment system for in-house inspections in the entrepreneurship sphere, systematization of the in-house tax inspections based on risk management of the inspections and automation of development of relevant discrepancy notes created an environment for more efficient introduction of 24 risk criteria.

6 out of 6 maximum points on the methodology.

17.3 Improvement of providing tax payers with necessary information and of promotional work among tax payers. Implementer: *Ministry of Taxes* - 2012-2013.

In 2013, more than 389 taxpayers were received in the taxpayers' service structures and taxpayers' service centers. By 195

telephone information service, 198,306 applications were received from taxpayers and citizens. For awareness of taxpayers, 2 904 339 messages, including 2 884 609 short messages (SMS) were sent to taxpayers through the website of the Ministry of Taxes (www.taxes.gov.az). In 2015, the official website of the Ministry of Taxes was visited 4452587 times.

Booklets, pamphlets and magazines in 14 names reflecting necessary information for taxpayers in the field of tax legislation and administration were printed in 146,800 copies (133,900 in Azerbaijani and 12,900 in English) and disseminated among taxpayers.

In the back side of the electricity bills given to subscribers by “Bakı Elektrik Şabaka” OJSC, advertisements on the necessity to conclude labor contracts have been placed.

A new booklet named “Characteristics for application of cash register and serious reporting forms”, was prepared and published in 15 thousand copies and appropriate measures were taken for their delivery to taxpayers.

In addition, a booklet containing the advantages of non-cash payments, including payment cards, POS-terminals and rules for their use was prepared, published in 30 thousand copies and distributed to taxpayers.

In 2015, 144 press releases on activities of tax authorities were issued to the media, and the data were widely covered in the press and electronic media. In addition, in 2015, 92 media interviews were conducted with senior officials of the tax authorities, 2359 articles and information concerning the activities of the Ministry of Taxes was published in the leading websites. In 2015, 580 tax-related TV spots were aired in information and other socio-political and socio-economic programs of the central television channels. The above-mentioned information concerning the activities of the Ministry of Taxes, including press releases were posted on a regular basis on the official website of the Ministry (www.taxes.gov.az). At the same time, video instructions on electronic payment of taxes, on use of POS-terminals, on

completing tax returns were prepared and posted on the Ministry's official website (www.taxes.gov.az), on Facebook, YouTube, and video.az.

Methodology for the maximum 6 out of 6 points.

17.4 Conduct of risk analysis of the provisions in the Tax Code enabling corruption. Implementer: *Ministry of Taxes* - 2013-2014
The Ministry of Taxes informed that the works on risk analysis of the Tax Code regarding the cases creating conditions for corruption are continued.

Risk analysis of the Tax Code on corruption enabling cases was conducted; Draft Law of the Azerbaijan Republic "On Amendments to the Tax Code of the Republic of Azerbaijan" was prepared on the basis of relevant proposals submitted by the relevant structures of the Ministry.

3 out of 6 maximum points on the methodology.

17.5 Presenting proposals on reduction of frequency of submission of tax declarations. Implementer: *Ministry of Taxes* - 2013.

Discussions related to identification of existing opportunities to reduce the periodicity of submission of tax declarations are continued in the Ministry of Taxes. Since the terms for submission of mining tax declarations are regulated by the Tax Code, proposals on this issue will be submitted to the relevant bodies based on the results of the initial discussions.

3 out of 6 points on the methodology.

18. Increasing transparency in the privatization process. Score on this area - 6 out of 12 points (50%)

18.1 Introduction of electronic management system in preparation of auctions. Implementer: *State Property Committee* – 2013.

The State Committee on Property Issues initiated 31 services for public use. All e-services have been integrated into the "E-

Government” portal. According to the data as of end of 2014, more than 111 thousand physical persons and legal entities have been benefitted from the Committee’s e-services.

E-services operating in the Committee’s e-portal are about privatization, management of the State property and registration of real estate. 27 of the services are interactive. The interactive services include those related to auctions on privatization of stocks of joint-stock companies, incomplete constructions and vehicles that are in the balance of governmental bodies. These services enable electronic receipt of requests for participation in auctions related to privatization of the State property.

3 out of 6 points on the methodology.

18.2 Ensuring registration of citizens for auction in real time mode. Implementer: *the State Property Committee* – 2013-2014

The electronic services provided by the State Property Committee, orders for participation in auctions on privatization of state property are already accepted in electronic form²⁹.

In 2015, the Committee launched preparations for making available the real-time registration of the citizens to auctions, and for this purpose, dealing with technical issues and developing specific software is underway.

In addition, the reports on preservation, management of state property, and their state of use, service fees of state property lease, and excerpts on real estate, registration and cancellation of mortgage, leasing operations, and e-services for providing real estate information from the state register of real property are also available.

²⁹<http://www.stateproperty.gov.az/index.php/az/x%99b%C9%99r-arxivi/1104-%99mlak-m%C9%99s%C9%99l%C9%99ri-d%C3%B6vl%C9%99t-komit%C9%99si-2014-c%C3%BC-ild%C9%99-h%C9%99yata-ke%C3%A7irilmi%C5%9F-f%C9%99aliyy%C9%99t%C9%99-dair-m%C3%BC%C5%9Favir%C9%99-ke%C3%A7irib>

In addition, the orders to participate in the auctions for privatization of properties that transferred to state property by confiscation are also accepted electronically. In addition, in the e-services portal, an electronic service for payment of leasing debts based on contracts for the lease of state property is also available. All electronic services have been integrated into the “E-Government” portal.

Through the auksion.az website of Auction Center for Organizing Auctions, information on the rules on conducting auctions on privatization of state property, legislation in this area, auctions conducted for privatization of state property and their results, information on enterprises auctioned for privatization are available.

3 points out of 6 points on the methodology.

19. Improvement of the process of collection of customs fees and tariffs. Score on this area - 17 out of 24 points (70%)

19.1 Location of the information about customs fees and tariffs in internet information resources. Implementer: *The State Customs Committee* – constantly.

An informative service on goods nomenclature has been established in the Customs Committee’s website. An informative e-service for calculation of fees applicable to automobiles imported in the Republic of Azerbaijan has been established.³⁰

The www.rusum.az website portal designed with support of the Anti-Corruption Commission of the Republic of Azerbaijan has been updated. Information on customs fees and tariffs has been posted on the portal.

6 out of 6 maximum points on the methodology.

³⁰<http://www.rusum.az/calc3.php>

19.2 Ensuring transfer to non-cash payment system for customs payments. Implementer: *The State Customs Committee* – 2012-2013

All customs offices have been provided with POS-terminals and foreign economic activity actors have been informed about this. Currently, works are being done to ensure customs fees to pay via online and bank services.

An e-service functions in the Committee's website to undertake online payment of customs fees. This service has also been integrated in the E-Government Portal.

4 out of 6 points on the methodology.

19.3 Improvement of consideration of complaints on the decisions of customs authorities. Implementer: *the State Customs Committee* – 2012- 2013

Opportunities has been created for clients to apply online through the Committee's web-site's "Applications" section and the "Call Center"

"Performance Evaluation and Development Programs of the State Customs Committee of the Regulations on the Administration" made a decision on the approval.

Call Centre of the Department of General Administration inspectors will respond to requests from individuals and legal entities, for some reason, missed calls, the feedback section to create a relevant service received the database of questions and answers on the basis of surveys to participate in the development and improvement.

The State Customs Committee informed "IAMS-Recordkeeping" automated management system has been further improved and its features have been expanded. Central Mail Server has been created to manage and safeguard the electronic document circulation and equipped with Anti-Spam filtering system.

3 out of 6 points on the methodology.

19.4 Acceleration of commodity turnover on the customs boarder

and creation of favorable conditions for entrepreneurial entities.
Implementer: *The State Customs Committee* – 2013.

In 2013, aligning custom control and clearance through the customs procedures and operations spelled out in the Customs Code to the international standards, 17 by-laws drafted and, after appraisal by relevant government agencies approved by the Cabinet of Ministers.

In 2014, the "personal examination" on the form of the Protocol, "Bringing (conducting) the taking of prohibited or restricted goods" on the form of the Protocol, "the seizure by customs officials to shoot and customs supervision rules", "Acts of the Universal Postal Union, accompanied by the documents provided by the customs clearance of goods sent by international mail Rules", "Rules of the exchange of information on the risks of exploration data and custom", "The rules of special customs statistics", "Postal service operators by the customs authorities of the transfer procedure for the payment of customs duty," "customs control zones and rules of engagement", "The rules for determining the criteria and priority control areas" and "International Maritime commercial Port "Regulations on the customs post has been approved. The Ministry of Justice has been included in the State Register of Legal Acts. "E-customs payments to the" e-customs service was put into operation.

Committee's current "192 hotline" has been replaced by "192 Call Center" running on VoIP system that meets international standards. Land-line telephone board located at the State Customs Committee administrative building which links up the head-office with the branches, has been liquidated and replaced by VoIP system.

Since 2013, all border crossings of the "X-REY Smith Heymann" X-ray equipment is installed. Different types of trucks X-ray examination within 3 minutes to complete the production of this equipment in recent years. The official website of the State Customs Committee, the "www.customs.gov.az" more effective use of information resources, the expansion of relations between

customs authorities and business organizations, entrepreneurs in the interests of the population and enables more flexible. Already a unified automated information system also improved the technical basis for the corporate network.

Azerbaijani customs service, an integrated automated control system and the "one window" system for goods and cargo turnover, in line with modern requirements to conduct import-export operations and the control of the border crossings of the country completed within 20 minutes.

Advancement of the "one stop-shop" ("single window") system continued.

Customs posts in the border checkpoints, inspecting the goods and transport vehicles, automated risk management - UAMS-risk system.

"UAMS-mail transport" subsystem developed and put into operation. Companies engaged in mail transportation subsystem on the website of the State Customs Committee, the "Traders private office", including what it will bring to a country that allows goods to declare in advance.

World Customs Organization's "Guidelines on the measurement date of release of the goods," In fact, using the methodology set forth in the border checkpoints, "Border Crossing time measurement (TRS)," developed in the project, the project's software was developed and integrated to UAMS. The project has been applied in Astara Customs Office, "Gosha Tepe" customs point of Bilasuvar customs office, "Siniq Korpu" customs point of Tovuz customs office and "Mazimcay" customs point of Balakan Customs Office. The implementation of the project allows to better understand duration of time spent for transportation of goods and equipment through border crossings, therefore, collected statistical data is hoped to help improve quality of management for crossing good and equipment through borders.

As of August 2013 "Customs tariff" law became in force.

Individuals across the customs border of the Azerbaijan Republic in connection with the goods declared to customs authorities in

the simplified procedures. The State Customs Committee by individuals of goods more convenient and transparent manner to ensure that the new "simplified declaration for individuals' e-service, integrated e-government portal.

Their goods through the customs border of the country and the citizens, vehicles, jewelry and currency, unaccompanied luggage or goods, etc., held by the carrier. information about in advance, before the customs post "online" in the official website of the State Customs Committee (www.dgk.gov.az) or e-Government Portal (www.e-gov.az) to be able to present to the customs authorities.

In order to make it easier for citizens crossing the border at all border checkpoints "Customs" kiosks installed. This is a simplified electronic tax returns can be completed by citizens through information kiosks, as well as the customs control of the customs associated with the legal framework and regulations should be introduced for travelers.

The initial declaration applies to electronic services. According to the new customs procedure, physical and legal persons engaged in import-export operations, inform the customs authorities in advance about their operations before crossing the customs control by submitting declaration on short-time import or short-time export.

Alongside with the customs office, provision of "E-declaration", "electronic pre-declaration", the PN official certificates to the participants of the import-export operations, temporary import of services related to the extension of the small vehicle, is also planned to be done through "ASAN (Easy) Service" centers.

"About state regulation of foreign trade activities" and "Antidumping, compensation and protection measures" on the draft law is being prepared.

4 points (out of 6 maximum) on the methodology.

20. Improvement of urban planning, construction legislation

and administrative management in this field. Score on this area - 16 out of 24 points (67%)

20.1 Presenting proposals on creation of an effective administrative management related to permissions for construction, control over construction and permission for exploitation of construction, and introduction of “One-Stop-Shop” system. Implementer: *Cabinet of Ministers* - 2013.

With the authorization of the construction of the "single window" principle, Urban Planning and Construction Code is intended to apply.

The Cabinet of Ministers dated January 12, 2015, by Resolution No. 4, "the construction of the data included in the state register, the submission of information and register Rules" approved. These rules are an integral part of urban planning and construction of the integrated information support system, including the structure of the data entered in the register, the submission of information and regulates register.

"The implementation of the rules of urban development," the President of the Azerbaijan Republic dated 24 November 2014, was approved by Decree 375. The new rules are to be conducted in accordance with state planning control mobile and desktop. On-site inspections in order to monitor the department's employees to be sent to cities and regions, through the control desk in the study of the construction work carried out by the data in the state register.

3 out of 6 points on the methodology.

20.2 Ensuring transparency and civic participation in urban planning and construction activities. Implementer: *Architecture and Urban Planning Committee, Ministry of Emergency Situations, local executive power bodies, municipalities* - 2013-2014.

In accordance with the requirements of Article 29 of the Urban Planning and Construction Code, which came into force on

January 01, 2013, the customer has to present the initial draft territorial planning documents to the public with necessary explanations.

60 days are specified for the draft territorial planning documents to become familiar with.

Within the specified period, the affected persons may submit their objections and suggestions concerning the draft.

Taking into account the objections and suggestions submitted, the customer shall prepare final draft of the territorial planning documents.

Summarized report on the results of the reviewing the objections and suggestions shall be prepared by the customer and is attached to the territorial planning documents.

On May 15, 2014, at the Four Seasons Hotel in Baku, the public presentation and final public discussion of the “Greater Baku Regional Development Plan” was conducted and attended by all project stakeholders (government agencies, public organizations etc.).

As a result of the discussions, the “Greater Baku Regional Development Plan” was considered acceptable, and it was concluded that in the near future the “Greater Baku Regional Development Plan” shall be submitted by the State Planning and Architecture Committee to the Cabinet of Ministers for approval in accordance with the requirements of the relevant legislation, while taking into account the opinions and suggestions of the government agencies and other organizations that represent all stakeholders.

The draft general plan of the city of Goygol was presented for 60 days as of 4 August, 2014.

In Shirvan City, the first draft general plan of Shirvan City was presented by the Architecture and Urban Planning Committee under Executive Power in August 2014.

6 points out of 6 points on the methodology.

20.3 Conduct of citizen awareness-raising activities on the requirements of the Urban Planning and Construction Code. Implementer: *Architecture and Urban Planning Committee, Ministry of Emergency Situations, local executive power bodies, municipalities* - 2013-2014.

First drafts of the Main Plans of Naftalan, Gusar, Mingachevir and Goygol cities, being developed upon the Committee's order, have been presented for discussions of local executive authorities and the general public. The public discussions in Naftalan and Mingachevir cities have been finalized, whereas the discussion in Goygol and Gusar cities are still going on.

The main plan along with the cadaster plan of Shirvan city is being developed as a first experience in the country. The first draft of the Main Plan of Shirvan city passed through public discussions in the administrative building of the city executive authorities and the city public was informed about the cadaster plan.

4 out of 6 points on the methodology.

20.4 Presenting proposals on application of principles of e-governments in the urban planning and construction field. Implementer: *Cabinet of Ministers* - 2013.

The State Urban Planning and Architecture Committee offers the e-service called "Receipt of request and documents for issuance of special permission (license) to legal entities and physical persons to deal with designing of buildings and constructions of I and II category in accordance with the public standards".

The State Agency for Safety Control in Construction under the Ministry of Emergency offers the following e-services in the construction sphere:

- ✓ Receipt of e-requests and documents for issuance of special permission (license) for "Undertaking of engineering-research works for buildings and constructions of I and II category in accordance with the public standards"

- ✓ Receipt of e-requests and documents for issuance of special permission (license) for "Undertaking of engineering-installation works for buildings and constructions of I and II category up to 40 meters in height (except private residential and summer houses up to 12 meters in height) in accordance with the public standards"
 - ✓ Receipt of e-requests and documents for issuance of special permission (license) for "Undertaking of engineering-installation works for buildings and constructions of I and II category up to 65 meters in height (except private residential and summer houses up to 12 meters in height) in accordance with the public standards"
 - ✓ Receipt of e-requests and documents for issuance of special permission (license) for the type of activity "On Installation and Maintenance of Elevators"
- These e-services can be considered as second category services. Despite the establishment of these services, no holistic and systemic approach is observed with regard to overall introduction of e-government principles in the urban planning and construction field.

3 out of 6 maximum points on the methodology.

21. Improvement of the management mechanisms in education institutions Score on this area - 37 out of 42 points (88%)

21.1 Increasing transparency in exam process in education institutions. Implementer: *Ministry of Education, State Student Admission Committee (SSAC)* – 2012-2013.

The Virtual Test Center (VTC) has been established in the Azerbaijan Medical University. Already from the winter sessions of 2011-2012 academic year, the exams in the university are conducted through the Virtual Test method. About 250 computers have been installed in VTC, connected to the internet and

managed through a main server. More than 100 students can take an exam in this center.³¹ The virtual test is being introduced in the Azerbaijan Pedagogical University, Architecture University, and Medical University.³²

The Minister of Education signed Order #558 of May 8, 2014 to organize summer semester exam session in higher education institutions for 2013-2014 in accordance with the existing guidelines and to ensure transparency and objectivity in evaluation of students' knowledge.

The Telephone Information Center (146-Hotline service) of the Ministry of Education receives requests related to examination process in the educational institutions.

Since 2014, it is possible to watch the examination process in the test halls of the Azerbaijan State Economic University online via installed web-cameras. The broadcast through "Livestream" website is publicly available for every internet user.

3 out of 6 points on the methodology.

21.2 Increasing effectiveness of consideration of complaints in higher education institutions. Implementer: **Ministry of Education** – 2012-2013.

The Minister of Education signed Order #558 of May 8, 2014 to organize summer semester exam session for 2013-2014 in accordance with the existing guidelines and to ensure transparency and objectivity in evaluation of students' knowledge. According to the Order, the managers of higher education institutions have been tasked to organize the exam sessions in compliance with the existing normative documents, to establish the Examination Headquarters in their educational institutions, to

³¹<http://webcache.googleusercontent.com/search?q=cache:http://www.amu.edu.az/azes/2/547>

³²http://soft.tusi.biz/ts_general/azl/news/tsn-33.htm?mod=print_document&lang=azl

consider all entered complaints in prompt manner, to create conditions for parent's and public participation at the session in order to ensure transparency of the process, and to punish the persons, in accordance with the existing legislation, who caused negative cases during organization and conduct of the exams. They have been warned about their personal liability for any negative cases that may happen in their educational institutions.

Base on the Order, the managers of the educational institutions issues their own orders related to organization of the exam sessions. "The Examination Headquarter" is established accordingly. The Headquarters investigate the complaints and appeals related to the exams.³³ The students of the educational institutions are made aware of the channels of communication with the Headquarters.

There no limitations for parental participation in the exams.

All educational institutions inform the Ministry of Education about the results of the exam session in 10 days after their conduct.

The Telephone Information Center (146 Hotline Service) of the Ministry of Education receives appeals regarding the examination process in the educational institutions.

No available information, 4 out of 6 points on the methodology.

21.3 Adoption of code of conduct for teachers. Implementer: *Ministry of Education* – 2012-2013.

The Code of Conduct for actors of the educational process has been developed jointly by ABA CEELI and the Anti-Corruption Working Group of the Ministry of Education.³⁴

"The Code of Conduct for Teachers" has been approved. The Code is in line with the Law of the Republic of Azerbaijan "On

³³ http://adpu.edu.az/gen/download/AR_TN_558_nomreli_emr_08052014_barede.pdf

³⁴ <http://www.edu.gov.az/upload/file/e-xidmetler/standartlar-modeli.pdf>

Education”, other legislative acts and “Ethical Standards Model for Actors of the Educational Process”.

The Code defines and regulates ethics principles and the related requirements, as well as mutual relations of the actors of the educational process.

6 out of 6 maximum points on the methodology.

21.4 Publication of information on teacher vacancies on the official web-site of the Ministry of Education and in press. Implementer: *Ministry of Education* - constantly. Information on teacher vacancies is published on the official web-site of the Ministry of Education and in the press.³⁵
6 out of 6 points on the methodology.

21.5 Conduct of centralized and transparent exams for hiring teachers to the announced vacancies. Implementer: *Ministry of Education* – constantly.

The Minister of Education of the Republic of Azerbaijan has signed an order on regulating the process of hiring of teachers to general and primary vocational education schools in 2013-2014 academic years.

In accordance with the order, the process of hiring teachers in 2013-2014 academic year to the vacancies in general and primary vocational education schools is conducted in a centralized manner, competitively by using software.

The vacancies are announced, then the requests of the teachers who want to change their positions are given first priority in the consideration process, their requests are satisfied based on the competition, and afterwards those who desire to start new teaching career take exams. All this is carried out electronically and without any interference from outside. The teachers learn

³⁵<http://www.edu.gov.az/view.php?lang=az&menu=391&id=4084>

about their results immediately after they pass the exam and based on the score their employment to the vacancy is defined.

We need to mention about the school principals when talking about teachers. The Ministry of Education delivered training for young and energetic cadre who desired to hold principal positions this year and taught them the principles of the modern management. This process will continue.

According to the results of the competition on filling the teacher vacancies in general education institutions and vocational lyceums in 2014-2015 academic year, total 1692 people have been employed. 1405 of them got encouragement measures applied. The level of filling of the vacancies has increased for 40% in comparison to the previous academic year.

No limitations have been placed for the NGOs who desired to observe the competition process.

6 out of 6 points on the methodology.

21.6 Presenting proposals on defining the responsibility for hiring teachers out of competition. Implementer: *Cabinet of Ministers, Ministry of Education* – 2013.

According to Item 5 of “The Guidelines for Identification of the Demand for Teachers in General Education Institutions and Vocational Schools under the Ministry of Education of the Republic of Azerbaijan, Distribution of Pedagogical Cadre and Their Employment”, the managers of relevant educational institutions and bodies, as well as members of competition commissions are liable for observation of the requirements of the mentioned Guidelines, and for oversights in the field of the work with staff.

6 out of 6 maximum points on the methodology.

21.7 Presenting proposals on salary increase for teachers and strengthening their social protection. Implementer: *Cabinet of Ministers, Ministry of Education* – 2012-2015.

Item 2.3.1 of the State Strategy for Development of Education in the Republic of Azerbaijan envisages establishment of a differentiated salary system competitive in the labor market.

According to the Presidential Order “On increase of lesson loads and wages for teachers of educational institutions who passed diagnostic assessment of knowledge and skills”, dated 16 January 2015, lesson loads of teachers of educational institutions who passed diagnostic assessment of knowledge and skills was increased 1.5 times, and their salaries raised twice as of January 1, 2015.

6 out of 6 maximum points on the methodology.

22. Improvement of management mechanisms in health care. **Score on this area - 27 out of 36 points (75%)**

22.1 Accelerating the activities related to introduction of the mandatory medical insurance in the health care system. Implementer: *Cabinet of Ministers, Ministry of Health* – 2013-2014.

The works on accelerating the activities related to introduction of the mandatory medical insurance in the health care system are continued³⁶.

In 2007, the Cabinet of Ministers established under the State Agency for Compulsory Medical Insurance.

By the Cabinet of Ministers Decision No. 179, dated 11 August, 2008, “Action Plan for the implementation of the Concept of the healthcare financing system reform and the compulsory medical insurance in the Republic of Azerbaijan in 2008-2012” has been approved.

However, no concrete steps have been taken in connection with the introduction of compulsory health insurance system so far.

³⁶<http://sehiyye.gov.az/fealiyyetler.html>

1 out of 6 maximum points on the methodology.

22.2 Delivery of trainings and courses on promoting code of conduct for medical doctors. Implementer: **Ministry of Health** – 2013-2014.

The works on delivery of trainings and courses on promoting code of conduct for medical doctors are continued³⁷.

On 3, 24, 25 December, 2015, training courses were organized for civil servants of the Ministry of Health at the Ministry's Administration. The courses being conducted for civil servants of the Ministry of Health, the Health Department of Baku City and the Health Department of Sumgait City were organized within the implementation of the "National Action Plan on the fight against corruption for 2012-2015", approved by Order of the President of the Republic of Azerbaijan, No. 2421, dated 5 September, 2012.

Pursuant to the items 2 (9.2) and 3 (10.1) of the Work Plan of the Ministry of Health of Azerbaijan Republic for the 2015, training courses and trainings titled "Prevention of conflict of interests and the fight against corruption", as well as "Ethical conduct issues" were organized for civil servants. The courses and trainings were carried out in the administrative building of the Ministry³⁸.

Works for conducting workshops and trainings for promotion of ethical conduct code among doctors are underway³⁹.

6 out of 6 maximum points on the methodology

22.3 Publication of information on medical doctor vacancies in the official web-site of the Ministry of Health and in the press. Implementer: **Ministry of Health** – constantly.

³⁷<http://sehiyye.gov.az/fealiyyetler.html>

³⁸<http://sehiyye.gov.az/fealiyyetler.html>

³⁹<http://sehiyye.gov.az/fealiyyetler.html>

Information on medical doctor vacancies is published in the official web-site of the Ministry of Health and in the press.⁴⁰
6 out of 6 maximum points on the methodology.

22.4 Ensuring transparent and competitive hiring of medical doctors to vacant positions through tests and interviews. Implementer: *Ministry of Health* – constantly.

Based on the Decision #3 of the Health Collegium of the Ministry of Health of the Republic of Azerbaijan, dated January 18, 2013, employment of health care workers to the vacant positions in the health care institutions under the Ministry have been undertaken in a centralized manner.

The candidates first take a test exam, and then are interviewed. The interview procedures have been specified. Video recording also takes place.

Analysis of “The Guidelines for Centralized Employment of Health Care Providers of the Health Care Institutions” displayed that the procedures for receipt of documents, publication of vacancies, conduct of test exams and interviews, and consideration of complaints are quite clearly stated. The guidelines also provide remedies for the competitors to defend their rights. Mechanisms for ensuring transparency are also in place.

Receipt of the documents for employment is processed electronically. Health care providers who intend to submit their documents for vacancies via the e-service can do so by visiting the official website of the Ministry of Health, going to “Centralized Employment of Health Care Providers” section, selecting “Vacancies”, getting information on availability of vacancies, using his/her ID number and pin-code to fill the application form out and submit the application electronically.

⁴⁰http://www.sehiyye.gov.az/musabiqe_elanlari.html

During the competition process, international and domestic NGOs, media representatives can observe the test exams and interviews. To this end, information about the observers must be submitted to the Examination Commission 3 days prior to the conduct of the exams and interviews.

6 out of 6 maximum points on the methodology.

22.5 Presenting proposals on defining the responsibility for hiring medical doctors out of competition. Implementer: *Cabinet of Ministers, Ministry of Health* – 2013.

The Ministry of Health to determine the responsibility for recruitment of doctors in the competition submitted proposals. .

6 out of 6 maximum points on the methodology.

22.6 Presenting proposals on salary increase for medical doctors and strengthening their social protection. Implementer: *Cabinet of Ministers, Ministry of Health* – 2012-2015.

The Ministry of Health informed that the works on salary increase for medical doctors and strengthening their social protection are continued.

In the state budget for 2015, 5 percent salary increment was considered for health workers.

2 out of 6 points on the methodology.

23. Improvement of introduction of corporate management principles in State-owned enterprises. Score on this area - 13 out of 18 points (72%)

23.1 Studying the areas of introduction of corporate management principles in State-owned enterprises and conduct of training on this topic. Implementer: *Ministry of Economy and Industry Development, State Property Committee, State-owned enterprises* – 2013-2014

The Ministry of Economy and Industry developed the Corporate Management Standards of Azerbaijan in connection with

introduction of the corporate management system in the public enterprises.⁴¹

The assessment is conducted through the questions compiled on 9 criteria indicated in the methodology and reflected in “The Bulletin on Assessment of Corporate Management in Economy Societies”. More than 30 companies passed the assessment. According to the findings of the assessment, “The Table for Assessment of Corporate Management in Economy Societies in accordance with the Corporate Management Standards of Azerbaijan”. Respective researches have been conducted on introduction of the corporate management principles in the public enterprises and topics of the trainings to be delivered were identified.

The list of companies to participate in the corporate management trainings has been compiled and invitation letters have been sent to them. The information on the future training participant companies is being collected presently.⁴² It is planned to have trainings on 8 topics.

The Ministry of Economy and Industry conducted 8 workshops on the application of the principles of corporate governance in state enterprises, namely: “Introduction to Corporate Governance. The concept of corporate governance. The specificity of state-owned enterprises” (11.02.15), “Supervisory (Directors) Board and its formation. The independent directors. Supervisory Board Committees” (16.03.15), “Formation of the Board of Directors” (14.04.15), “Audit activity” (30.04.15), “Remuneration Policy” (13.05.15), “Conflict of Interest and its resolution” (22.09 .15), “Internal controls. Risk management. Responsibility” (30.09.15),

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http://economy.gov.az/index.php?option=com_content&view=article&id=98&Itemid=142&lang=az

⁴²<http://economy.gov.az/media/pdf/Kor2012.pdf>

“Corporate social responsibility. Stakeholders” (14.10.15). In the trainings, the participants were given detailed information on each subject, views were exchanged with them, and relevant questions were answered. In addition, at the request of the participants, they were further informed with on the extra subject on corporate governance. Relevant information was provided on conduct of the trainings through the Ministry’s website and on Facebook page. The trainings were attended by representatives of the State Property Committee and 21 state-owned enterprises at the information ministry's website and on Facebook. of the training was attended.

6 out of 6 maximum points on the methodology.

23.2. Development of proposals on effective use of funds allocated from the State budget, including financial aid by the State-owned enterprises. Implementer: ***Ministry of Economy and Industry Development, Ministry of Finance, State-owned enterprises*** – 2013-2014.

Studies on effective use of the funds allocated to the State-owned enterprises from the State budget, as well as of financial aids, have been conducted, recommendations on improvement of economic activities of the State-owned enterprises have been prepared and submitted to the Cabinet of Ministers of the Republic of Azerbaijan with the letter # İSN-X/O-4801/2014 of May 17, 2014.

6 out of 6 points on the methodology.

23.3. Development of annual reports by State-owned enterprises and their publication. Implementer: ***State-owned enterprises*** – 2013-2015.

Among state-owned enterprises, AZNEFTKIMYAMASH OJSC, “Azersu” OJSC, “Azerenerji” OJSC prepare annual reports on their activities and post on their websites. However, it hasn’t been possible to obtain statistics on other state-owned enterprises

concerning preparing their annual reports on their activities, their publication, and distribution.

1 out of 6 points on the methodology.

24. Improvement of communal services. Score on this area - 15 out of 24 points (62%)

24.1 Finalization of installation of smart card counters for payment of electricity, natural gas and water consumption bills. Implementer: “*Azərenerji*” OJSC, “*Bakielektrikşəbəkə*” OJSC, SOCAR, “*Azərsu*” OJSC – 2013-2014.

January 1, 2016, the date, the number of subscribers on the country's natural gas reached 1 835 173. Note that the date of 1 January 2016 23 864 subscribers were registered in the subscriber non-residents. A total of 1 811 173 2015, which is available throughout the year population of 104 309 new subscribers have been registered over the last year, of which 32 out of 773 in Baku, Absheron, Sumgait, regions of the United States is about 71 536. By the end of 2015, "smart-card" type subscribers was covered by more than 52 the number of meters.

As of the date of 01 January 2016, "Azersu" JSC, water supply and sewerage services to customers across the country 1377246. They were 1321405 people, 55841 of the population, while non-subscribers.

2015 edition of the "Azersu" Open Joint Stock Company in Baku and Absheron peninsula, as well as regions of the SMART-52359 water meter installed. Built-in number is 48519 meters of the population, while in 3840 the number of non-public sectors. During this period, served on the Baku city and Absheron peninsula in the 40764 units, 11595 units in the regions smart meter installed.

In general, since the introduction of smart meters, the number of meters installed since 2012 reached 404702. Smart meters are being carried out in parallel to the public and non-subscribers of the population. So far, the number of installed meters 369286

population, accounted for 35416 subscribers, while the number of civil population.

3 out of 6 points on the methodology.

24.2 Completion of introduction of an automated central computer system for registration of consumption of electricity, gas, water, and payments for utilities. Implementer: “Azərenerji” OJSC, “Bakielektrikşəbəkə” OJSC, SOCAR, “Azərsu” OJSC – 2013-2014.

The State Oil Company informed that the database of subscribers maintained for consumers of natural gas has been transferred from FoxPro software to more sophisticated AGIS (Automated Gas Information System) software which works on real time online mode.⁴³

Drinking water consumption and sewage services in the registration of the measures on automating continues to this day. Subscriber data management system to test the new control system has been completed and are being applied from the date of 27.08.2014

Preparatory work for introduction of the system in other districts is going on and it is planned district-by-district introduction of the system during 2014.

Automated Management System for Electricity Supply and “Population” Subscriber Information Database are functional in “Azərenerji” OJSC and “Bakielektrikşəbəkə” OJSC respectively.

6 out of 6 points on the methodology.

⁴³<http://www.ikisahil.com/index.php/analitika/item/7219-qaz-t%C9%99s%C9%99rr%C3%BCfat%C4%B1nda-m%C3%BCh%C3%BCm-u%C4%9Furlar-%C9%99ld%C9%99-edilmi%C5%9Fdir.html>

24.3 Solution of issues with supply of multi-story newly built buildings with gas. Implementer: *Baku City Executive Power, Ministry of Emergency Situations, SOCAR* – 2013-2014.

In 2014, gas supply to 238 multi-story buildings was provided based on submission of the relevant documents to “Azerqigas” Production Union. This covers total 17 348 apartments.

In 2013, 149 multi-story building have been provided with natural gas supply.

Since there is no exact statistics on the number of newly built multi-story buildings, it was impossible to identify the percentage of their coverage with gas supply.

3 out of 6 points on the methodology.

24.4 Carrying out reforms in housing-communal economy, including optimization of the normative and tariffs of the services provided in this field. Implementer: *Cabinet of Ministers, Ministry of Economy and Industry, Tariff (price) Council* - 2013-2014.

The Ministry of Economy and Industry has drafted “The Action Plan for Development of the Housing-Communal Economy in the Republic of Azerbaijan in 2014-2016” and submitted it to the Cabinet of Ministers for agreement with other governmental agencies, as well as with enterprises and organizations.

Proposals on management, development of the housing-communal economy on the principles of the market economy and on establishment of a mechanism for supporting reforms in this field (draft Decree of the president of the Republic of Azerbaijan “On Approval of the Guidelines for Establishment of the Housing-Communal Economy Support Fund and its Use”) has been drafted and submitted to the Cabinet of Ministers to issue respective order to the relevant governmental agencies to provide their feedback , as well as with enterprises and organizations. At the same time, the importance of establishment of the mentioned Funds was indicated in the letter # İSN-X/O-5805/2014 of the Ministry of Economy and Industry, dated July 25, 2014. In

connection with this issue, regular discussions are held with the respective departments of the Cabinet of Ministers.

“The Guidelines for Maintenance of Multi-Storey Building and Use of Housing Space” has been developed to ensure protect general property of multi-storey buildings and normal exploitation of housing spaces taking into account provisions of the Housing Code. “The Guidelines for Consideration of Housing Spaces as Non-Housing Ones” has been drafted to define how to consider housing Spaces as non-housing ones irrespective of the type of property.

The Law “On Changes to the law of the Republic of Azerbaijan “On Privatization of the Housing Funds in the Republic of Azerbaijan”” has been drafted and submitted to the relevant governmental bodies to get their feedback and suggestions.

The draft of “The Guidelines on Methodical Basis for Calculation of Labor, Service and Cost Norms on Sprigging Operations and their Introduction” has been prepared and submitted to the Ministries of Labor and Social Protection, Finance, Justice, and Baku Main Executive Authorities for agreement. Currently, the works on the development of the final version of the document are carried out.

The Order of the Cabinet of Ministers of the Republic of Azerbaijan reflecting the issues related to the problems emerged in the economic and financial activities of “Azəristiliktəchizat” OJSC has been drafted and sent to the Cabinet of Ministers together with the cover letter # İSN-X/O-7150/2014 of August 7, 2014.

Also, suggestion of the Ministry of Economy and Industry on necessity to harmonize the limits envisaged for heating services for the entities funded from the State budget with the actual demand have been submitted to the Cabinet of Ministers by the letter # İSN-X/O- 4960/2014 of May 22, 2014.

At the same time, suggestions on the reconsideration of the tariffs on the services provided by “Azəristiliktəchizat” OJSC have been analyzed together with the Secretariat of the Tariff Council based

on the international practices, the respective order of the Cabinet of Ministers on withdrawal of hot water supply tariffs from the public regulation has been developed and submitted to the Cabinet by the letter # İSN-X/O-9604/2014 of October 31, 2014.

3 out of 6 maximum points on the methodology.

25. Improvement of the management mechanism in the field of labor and social security. Score on this area - 40 out of 42 points (95%)

25.1 Prevention of informal employments and implementation of measures for legalization of labor activity of the workers engaged in “shadow economy” for protection of their labor rights. Implementers: *Ministry of Labor and Social Protection, the State Migration Service* – 2013-2014

The Ministry of Labor and Social Protection has introduced e-registration system for labor agreements.

By its Decision# 183 of June 6, 2014, the Cabinet of Ministers approved “The Guidelines on the Form of the Notification for Labor Agreements and Their Entry into the Electronic Database System, the Information Form submitted to Employer on Registration of the Notification for Labor Agreement, as well Obtaining of the Information from the Notification for Registered Labor Agreement in Real Time Mode”.

In accordance with Article 3 of the Labor Code, the employer must enter an electronic document, i.e. notification on the labor agreement into the electronic database system of the relevant executive authority in order to ensure electronic registration of the conclusion of the labor agreement, changes thereto or its termination. For this purpose, employers or the persons authorized by them must have an enforced e-signature.

This system creates new opportunities to strengthen the control over employer-employee relations.

37.608 cases of non-observance of the administrative legislation’s requirements on staying, temporarily and permanently residing or

residing with invalid documents in the territory of Azerbaijan by foreigners and persons without citizenship, in 2014.

Based on the existing grounds, 3.306 of them were allowed to stay in the country, decision to leave the country was made about 27.683 of them and 6.431 of them were administratively kicked off the country.

The State Migration Service issued work permit to 12.000 foreigners in 2014 to carry out paid works in the country. 257 inspections were conducted in entrepreneurial entities to check the observance of the regulations on use of foreign work force. The inspections detected 164 administrative offences and 2543 foreigners were deported from the country due to their illegal work activity.

6 out of maximum 6 points on the methodology.

25.2 Improvement of the situation with consideration of complaints related to social aid programs, delivery of social services, payment of social and unemployment allowances. Implementer: ***Ministry of Labor and Social Protection*** – 2012-2013.

The report of the Ministry of Labor and Social Protection for the 2015 year states that 26145 persons were received on individual basis, their concerns were heard, and appropriate measures were taken. The 142 Call Center responded to 111386 calls. In 2015, the reception of citizens and requests registration sub-system was established in order achieve transparency and promptly response to citizens' complaints.

Analysis of applications through the system has created the conditions for the fulfillment of certain works in areas. Every citizen participated in the reception is able to make assessment of the outcome of the reception.

The complaints about ethical behavior violations by civil servants working in the system of the Ministry are analyzed and necessary disciplinary measures are taken against civil servants for their

unethical actions. Within the ministry, disciplinary actions were taken against 141 persons in 2015.

The ministry is also cooperate with the NGOs and provide discussion on this issue.

4 points out of 6 points on the methodology

25.3 Delivery of trainings on increasing professionalism of the workers of labor and social protection sphere and on their code of conduct. Implementer: ***Ministry of Labor and Social Protection*** – 2013-2014.

By its Order #11/7-0101 of January 2008, the Ministry of Labor and Social Protection has approved “The Code of Conduct of the Civil Servants of the Ministry of Labor and Social Protection” to define the relations regarding service ethics and out-of-business behavior norms and principles of the employees working in the system of the Ministry and their observance.

The Scientific-Research and Education Center on Labor and Social Problems develops and approves annual plan and program for development to increase professionalism of the civil servants working in the structural departments of the Ministry of Labor and Social Protection. Trainings on ethical behavior, conflict of interests, freedom of information and other topics have been conducted within the program.

4 out of 6 maximum points on the methodology.

25.4 Taking relevant measures for approximation of the criteria for identification of disability to international standards.

Implementer: ***Ministry of Labor and Social Protection*** – 2012-2013.

On 30 December 2015, the Cabinet of Ministers adopted the “Regulations on criteria for determination of disability and health conditions”.

According to the new Regulations, the first, second and third degrees of disability and disability for children under the age of 18 is determined by the medical-social expert commissions.

The Ministry has established Medical and Social Expertise and Rehabilitation Sub-System (TSERAS). This system has enabled a partial digitalization of the medical and social services.

The data are included in the TSERAS. The data base allows the exchange of information on the results of the surveys among relevant agencies electronically. Through the “E-Government” Portal, e-service for sharing information on the surveys carried out by the Medical-Social Expert Commissions has been launched.

All persons passed through the examination of disability or health limitations can by entering the Portal and selecting the E-Service receive information in electronic form on the results of the examinations, as well as receive electronic certificate to certify their disability for submission to any authority. The authorities that receive such certificates have opportunity to verify the reliability of the certificate in the Portal through authentication code.

A new draft law “On the rights of persons with disabilities”, as well as the draft document of the “National Action Program on protection of the rights of persons with disabilities for 2014-2018” have been developed in Azerbaijan.⁴⁴

The officials of the Ministry of Labor and Social Protection provided regular information to the media on this issue.

6 out of 6 points on the methodology.

25.5 Presenting proposals on reduction of the number of documents necessary for assignment of the targeted social aid and simplification of the procedures for submission of the documents. Implementer: *Ministry of Labor and Social Protection* – 2012-2013.

On 15 February 2015 the President of the Republic of Azerbaijan "on improving the system of targeted social assistance", the

⁴⁴<http://az.trend.az/azerbaijan/society/2248409.html>

decree was signed. Decree of the Ministry of Labor and Social Protection of the centralized information system of targeted social aid applicants and the destination of the Single Electronic Subsystem (VEMTAS) will be created.

A single electronic application in December 2015 and the destination Subsystem (VEMTAS) has completed the creation of VEMTAS (Single Electronic Application and Nomination Subsystem) and more than 20 public and private institutions were carried out on the basis of joint activity.

Citizens representing their families can apply for targeted social assistance through internet, mobile phones, etc., as well as via post-terminals located at postal offices to "e-government" or to "application for targeted social assistance" section at the Ministry's "e-services" portal.

In accordance with the existing mechanism VEMTAS is passed through e-applications. Investigated and answered in electronic form within 15 working days. The rights of these families receive targeted social aid certificate and information that need to be considered are derived from information resources relevant organizations. During the visit of the citizens in electronic form "Application-declaration" by the system automatically checked the information on the record. If the discrepancy is not found, the family removed from the decision for appointment of social assistance, social aid, otherwise it is rejected.

"To apply for targeted social assistance, determination, grant or refusal of the" Rules of the Cabinet of Ministers dated February 5, 2016, was approved by Decree of 37. This document also apply to citizens for the purchase of social assistance, appeals, has been appointed to help decide whether the admission of the applicant to provide information regarding this process are reflected in the full implementation of the electronic form.

Methodology for the maximum 6 out of 6 points.

25.6 Improvement of the management mechanisms of the social service enterprises. Implementer: *Ministry of Labor and Social Protection* - 2012-2013.

The Ministry of Labor and Social Protection continued the works on improvement of the management mechanisms of the social service enterprises. The Ministry conducted monitoring of enterprises.⁴⁵

It is planned to implement a Twinning Project between the Ministry of Labor and Social Protection and the European Union on “Development of the Social Service Sphere”. The competitive selection process for this project found the Austrian experience the most progressive and it was decided to cooperate with this country in the social services sphere.⁴⁶

3 out of 6 of points on the methodology.

25.7 Presenting proposals on creation of a mechanism of assigning the public orders on social service to the specialized enterprises and organizations. Implementer: *Ministry of Labor and Social Protection* - 2012-2013.

Based on “The Guidelines for Granting Public Procurement to Municipalities, Physical and Legal Persons, as well as NGOs” approved by Decision #330 of the Cabinet of Ministers of the Republic of Azerbaijan on December 30, 2012, the Ministry of Labor and Social Protection issued social orders and the specialized NGOs are implementing those projects.

6 out of 6 maximum points on the methodology.

26. Development of international cooperation in combating corruption. Score on this area - 18 out of 18 points (100%)

⁴⁵<http://az.trend.az/news/society/2088033.html>

⁴⁶http://kapitalinfo.az/news_557.html

26.1 Mutual activities with international and regional organizations on combating corruption, participation in various international programs and projects, as well as continuation of mutual cooperation with the international organizations specialized in this field and the relevant bodies of foreign countries. Implementer: *Cabinet of Ministers, Anti-Corruption Commission, central and local executive bodies, The General Prosecutor's Office, Judicial-Legal Council, Ombudsman* - 2012-2015.

On January 28-29, 2014, 25 employees of the Main Anti-Corruption Office under the General Prosecutor's Office participated in the training titled "Criminal Liability of Legal Entities" conducted through support of TAIEX (Technical Assistance and Information Exchange) mechanism within EU European Neighborhood Policy.

On 17-19 February, 2014, an employee of the Main Office paid a monitoring visit to the Republic of Tajikistan to participate in the 2nd round evaluation of Tajikistan under the Istanbul Anti-Corruption Action Plan of OECD's Anti-Corruption Network for Eastern Europe and Central Asia (ACN).

On 24-28 March, 2014, the Chief of the Anti-Corruption Office under the General Prosecutor's Office participated in the 63rd plenary session of the Council of Europe Group of States against Corruption (GRECO) in Strasbourg, France. He had wide exchange of opinions about the agenda and organizational issues of the high-level international conference titled "Combating Corruption: International Standards and National Experiences" planned to hold in our country.

Members of the Milli Majlis (Parliament) of Azerbaijan and employees of the Anti-Corruption Office under the General Prosecutor's Office participated at the Conference "Strengthening the Capacity of Parliamentarians, Judges and Prosecutors to Prevent Corruption in Their Own Ranks" - Emerging Trends from Two Years of GRECO Round IV Evaluations, held on 10-11 April, 2014 in Laxenburg, Austria.

Employees of the Anti-Corruption Office also participated in the 13th Monitoring meeting of the Istanbul Action Plan of OECD Anti-corruption Network for Eastern Europe and Central Asia meeting held in Paris, on 16-18 April 2014.

The Chief of the Anti-Corruption Office under the General Prosecutor's Office participated in the spring session of participated in the spring session of the Executive Committee of International Association of Prosecutors held in Québec, Canada on 8-10 May 2014. The General Prosecutor's Office and Military Prosecutor's Office of the Republic of Azerbaijan are members of this Association.

Reports of the governing bodies, including the President, General Secretary and General Counsel of the Association were listened in the meeting. In their speeches, Mr. Gerhard Jarosch, President of the Association and Mrs. Elisabeth Howe, General Counsel of the Association mentioned their visits to Azerbaijan in January and April 2014. They also underlined quite high level of business relations established between the Association and Azerbaijan, and appreciated the efforts made by the country to modernize the prosecutor activity.

On 16-17 June, 2014, the Chief of the Anti-Corruption Office under the General Prosecutor's Office participated in the 64th plenary session of the Council of Europe Group of States against Corruption (GRECO) in Strasbourg, France. He had wide exchange of opinions with the managers of the organization about the agenda and organizational issues of the high-level international conference titled "Combating Corruption: International Standards and National Experiences" planned to hold in our country.

The Head of the Ombudsman's Apparatus, a council specialized in anti-corruption issues and senior advisor of the international relations section of the Apparatus participated in the workshop titled "Development and Implementation of the National Action Plan on Human Rights" held by the EU Human Rights Commission on March 27-28, 2014 in Paris.

6 out of 6 points on the methodology.

26.2 Continuation of necessary actions for implementation of the recommendations given to the Republic of Azerbaijan by UN, Council of Europe Group of States against Corruption (GRECO) and within OECD's Istanbul Anti-Corruption Action Plan. Implementer: *Cabinet of Ministers, Anti-Corruption Commission, central and local executive bodies, The General Prosecutor's Office, Judicial-Legal Council, Ombudsman* - 2012-2015.

The cooperation between the Council of Europe Group of States against Corruption (GRECO) and the Republic of Azerbaijan has successfully continued. Thus, some important steps have been made to implement the recommendations indicated in the 3rd Round Evaluation of the organization on the Republic of Azerbaijan. The Anti-Corruption Office under the General Prosecutor's Office has drafted legal-normative acts on automatic and full release from punishment of the active bribers who provided information to the competent bodies.⁴⁷

The Council of Europe Group of States against Corruption (GRECO) conducted IV Evaluation Round on Azerbaijan on 15-18 April, 2014. In connection with this effort, the following experts of GRECO paid a business visit to Azerbaijan: Mr. Jim O'Keeffe, Mr. Georgi Rupchev, Mr. Drazen Jelenic, Mrs. Helena Lisuchova and Mrs. Lyubov Samokhina.

A number of meetings with participation of members of the Anti-Corruption Commission's Secretariat, the Parliament and Judicial-Legal Council, judges of the Constitutional Court, Supreme Court and other instance courts, responsible employees of the relevant ministries, teachers of higher education institutions and representatives of the civil society have been held in accordance

⁴⁷<http://www.genprosecutor.gov.az/?/az/news/view/568/>

with the agenda developed by the Administration of the President of Azerbaijan and GRECO organization in connection with carry-out of the Evaluation Mission.

6 out of 6 maximum points on the methodology.

26.3 Broadening cooperation with the International Anti-corruption Academy (IACA), carry-out of joint education and learning projects. Implementer: *Ministry of Taxes, Anti-Corruption Commission* – 2013-2015.

In 2015, Azerbaijan chaired the Assembly of the International Anti-Corruption Academy (IACA). On March 6, 2015, Azerbaijan was represented by the delegation led by the General Prosecutor Mr. Zakir Garalov, the chairman of IACA, at the 4th anniversary of the International Anti-Corruption Academy

In 2015, the Treaty on the establishment of the International Anti-Corruption Academy was elected a member to the Bureau of the Assembly

Within the cooperation between the Government of Azerbaijan, the Council of Europe Group of States against Corruption (GRECO) and the International Anti-Corruption Academy (IACA), a high-level international conference titled “Combating Corruption: International Standards and National Experiences” was held on June 30 – July 1, 2014 in connection with the chairmanship of the Republic of Azerbaijan. High level governmental and State officials, MPs, representatives and employees of the Anti-Corruption Commission, central executive authorities, the General Prosecutor’s Office, as well as other law-enforcement agencies of the country, higher education institutions, NGOs and international organizations present in Azerbaijan participated in the conference.

More than 130 representatives from 13 reputable international organizations and 35 countries of the European Union, including general prosecutors of Turkey, Albania, Moldova, Croatia, Georgia, Monaco and Lichtenstein, ministers of justice of Bosnia-Herzegovina, Albania, Croatia, heads of specialized anti-

corruption agencies of France, Poland, Lithuania, Macedonia and Serbia, director of the Directorate General of the Council of Europe on Human Rights and Legal Issues, president of GRECO, executive secretary of IACA, president of IAP, general secretary of the International Association of Anti-Corruption Authorities IAACA and many others participated in the conference.
6 out of 6 points on the methodology.

27. Development of cooperation with CSIs on combating corruption. Score on this area - 10 out of 12 points (83%)

27.1 Involvement of civil society institutions in the implementation of the actions envisaged in the Action Plan. Implementer: *Cabinet of Ministers, Anti-Corruption Commission, central and local executive bodies, The General Prosecutor's Office, Judicial-Legal Counsel, Ombudsman* – 2012-2015.

In response to the inquiry, the General Prosecutor's Office informed that it continued close cooperation with the non-governmental organizations, including Transparency Azerbaijan, implementing anti-corruption education and legal aid programs. Thus, the General Prosecutor's Office cooperated with the Advocacy and Legal Aid Center project implemented by the American Bar Association's Central and Eastern Europe Legal Initiative (ABA-CEELI), the Main Anti-Corruption Office investigated the appeals on corruption allegations received from Transparency Azerbaijan and initiated criminal proceedings on some facts.⁴⁸ In response to the inquiry, the Ombudsman office and the Anti-Corruption Commission informed that both agencies closely cooperate with the Information and Cooperation Network of Anti-corruption NGOs.

⁴⁸<http://jurnal.meclis.gov.az/news.php?id=401>

The Main Anti-Corruption Office publicizes annual and semi-annual report in collaboration with the civil society institutions. Representation of the civil society institutions have been increased in the Legislative Improvement Working Group of the Anti-Corruption Commission.

With support of the Anti-Corruption Commission, the Information and Cooperation Network of Anti-corruption NGOs has conducted an opinion poll to assess the level of corruption perception in the country.

The Law of the Republic of Azerbaijan “On Public Participation” became effective on June 1, 2014. This law regulates relations coming forward from involvement of the citizens of the Republic of Azerbaijan in the public administration in accordance with Paragraph 1 of Part1 of Article 94 of the Constitution of the Republic of Azerbaijan.

“The Statute on Election of Public Council by Civil Society Institutions” has been adopted by Decision #71 of the Cabinet of Ministers on 30th of May 2014.

4 out of 6 points on the methodology.

27.2 Financial support to CSIs for implementation of the actions envisaged in the Action Plan and implementation of projects. Implementer: *Cabinet of Ministers, Anti-corruption Commission, central and local executive bodies, The General Prosecutor’s Office, Judicial-Legal Council, Ombudsman, CSSN – 2012-2015.*

The General Prosecutor’s Office informed that the Memorandum of Understanding signed between the Anti-Corruption Commission under the General Prosecutor’s Office and the Information and Cooperation Network of Anti-corruption NGOs is successfully implemented in various directions. Dissemination of anti-corruption knowledge for formation of public stance, implementation of joint educational projects, including publication of anti-corruption materials and other public announcement products are brilliant examples of the cooperation

between two sides. Employees of the Anti-Corruption Commission under the General Prosecutor's Office together with representatives of the Information and Cooperation Network of Anti-corruption NGOs take part in the discussions within the project called "Say No to Corruption" in various TV channels on different topics like status of corruption, joint measures to combat it and etc. During the reporting period, the public, through AzTV and Public TV channels, was regularly informed about the operations and investigations on the criminal proceedings carried out by the Commission.⁴⁹

The Council for the State Support to NGOs under the President of the Republic of Azerbaijan regularly includes fight against corruption, increase of transparency and accountability into the main list of grant competition themes. Six NGOs and 2 NGO coalitions received total 54 000 AZN grants on these themes in 2014.

In response to the inquiry, the Anti-Corruption Commission informed that the NGO Anti-Corruption Network receives grant for implementation of projects and development of institutional capacity. "Constitution" Research Fund and the International Legal Center have also received grant in 2014.

6 out of 6 maximum points on the methodology.

28. Awareness on Anti-corruption. Score on this area - 22 out of 36 points (61%)

28.1 Annual evaluation of the status of implementation of the Action Plan and its publication. Implementer: *Anti-Corruption Commission* - 2012-2015.

In response to the inquiries, the Anti-Corruption Commission informed that the works on annual evaluation of the status of

⁴⁹<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

implementation of the Action Plan and its publication are continued and relevant preparations are made.
3 out of 6 points on the methodology.

28.2 Organization of special TV and radio programs and debates by the State bodies on combating corruption. Implementer: ***central and local executive bodies*** - constantly.

The Ministry of Economy and Industry informed that taking into consideration the importance of transparency and combating corruption, TV spots covering the regional events of the National Fund for Support to Entrepreneurship of the Republic of Azerbaijan related to the State support to entrepreneurship development and activities of the enterprises and entities, as well as activities of the enterprises created at the expense of concessional loans issued by the Fund were broadcast, and employees of the Fund were interviewed by TV and radio channels. Regular issues of the program called “Quality Sign” jointly developed by the Ministry of Economic Development and AzTV, and covering the issues of protection of customer rights, oversight and educational activities undertaken in this direction were broadcast. Additionally, interviews of the Ministry’s officials were organized for “Günün nəbzi” and “Kənd saati” programs of AzTV, “Aktual qonaq” of Khazar TV to talk about the activities related to implementation of State programs, corporative management, e-services provided by the Ministry, the rules for issuance of concessional loans and oversight measures undertaken in the consumer market.⁵⁰ .MES, Audit Chamber provided similar answer.

3 out of 6 maximum points on the methodology.

⁵⁰<http://economy.gov.az/media/pdf/Kor2012.pdf>

28.3 Organization of promotional campaigns for increasing public trust towards State bodies' activities. Implementer: *central and local executive bodies* - constantly.

High level of cooperation with mass media outlets has been established to cover the activities of tax authorities and reach out to general public. During the reporting year, 11 press-releases are made to media, 2 interviews of high ranking tax officials were arranged, 43 spots on tax issues were broadcast on national TV channels, and 230 articles were published in internet sites and 239 in the central newspapers. Media participated in the ceremony of signing of the agreement "On exchange of tax-related information between the Government of Azerbaijan and the Republic of Argentina", and briefing were arranged for high ranking officials of the Ministry of Taxes on the work for promoting open government. Media representatives were invited to the seminar on "Increase of non-cash operations and broadening the use of POS-terminals". The event was widely covered in media⁵¹.

In response to the inquiry, MES informed that the promotional work on their activities has been organized to increase public trust towards the governmental agencies and the activities in these directions are improved⁵². Article 6.3 of 2013-2014 Work Plan of the Audit Chamber of the Republic of Azerbaijan includes publication of audit-related books, teaching guides, informational and promotional materials.

Events on different topics have been held to increase public trust towards the Ministry of Economic Development and media participation at these events was ensured. Annual reports on the Ministry's activities for 2009, 2010, 2011, 2012, 2013 and 2014 have been posted on www.economy.gov.az website, websites of the Ministry and its structures are regularly updated, interviews of

⁵¹http://vn.taxes.gov.az/qanun/dovlet_proqrami/korrupsiyaya_qarsi.pdf

⁵²http://www.fhn.gov.az/newspaper/?type=view_news&news_id=3202

high ranking officials of the Ministry to national and foreign media outlets have been arranged and article published.⁵³ The Ministry of Ecology and Natural Resources, the Ministry of Communication and Information Technologies and the Ministry of National Security provided similar responses.

4 out of 6 points on the methodology.

28.4. Envisaging educational courses on anti-corruption in curricula of higher and secondary vocational schools, extended specialization courses and education centers. Implementer: ***Ministry of Education*** - constantly.

According to the Ministry, proposals have been made to include on anti-corruption courses into curricula of higher education institutions and secondary vocational schools, further training and training centers. Works in this direction are underway.

No information. 3 out of 6 points on the methodology.

28.5 Organization of essay and art contests on combating corruption and other type of intellectual competitions among secondary school students. Implementer: ***Ministry of Education*** - constantly.

With the initiative of the Anti-Corruption Foundation awareness lessons on theme “Definition of Corruption and its negative results” have been hold in secondary schools. Students from 9, 10, 11 classes were attended.

28.6 Publication of anti-corruption leaflets, manuals and other educational materials and their distribution among population. Implementer: ***Anti-Corruption Commission, The General Prosecutor’s Office, central and local executive bodies*** - constantly.

⁵³<http://economy.gov.az/media/pdf/Kor2012.pdf>

A magazine titled "10 years of achievement in the fight against corruption" was published. The Commission has opened a Twitter account to update the general public about the work, and it has a rich e-library in Wikipedia, both Azerbaijani and English languages. www.antikorrupsiya.gov.az– the official portal of the Anti-Corruption Commission has been improved and the legislative framework has been fully updated, including the English versions. The composition of the Working Group under the Commission has been renewed. The information about the composition of the Working Group can be obtained from the Commission's website.

The Commission has developed anti-corruption manual leaflet on its activities in Azerbaijani, English and Russian languages and disseminated to the civil society members and general public.

The Commission has also developed two e-Bulletins in 2014.

The following leaflets in different languages have been published on the results of 2013: "Bulletin", "The Anti-corruption Policy of Azerbaijan", "IAACA", "Azerbaijan-BPA Cooperation", "GRECO", "OECD", "IACA", "The Anti-Corruption Commission of the Republic of Azerbaijan", "The Main Anti-Corruption Office under the General Prosecutor's Office of the Republic of Azerbaijan", "Judicial-Legal Reforms in Azerbaijan". The information about the criminal cases investigated by the Main Office, undertaken operational and searching measures and cooperation with international organizations have been prepared for sharing via media outlets and posted on the General Prosecutor's website.

6 out of 6 points on the methodology.

V. PROBLEMS IN IMPLEMENTATION OF NACAP

Main problems in regards with implementation of measures on fight against corruption are low dynamics and progress seen in corruption-risky areas- state procurement and in the field of auctions.

Measures with lower than 35% execution rate are namely of high corruption-risky areas

Measures planned with NACAP	Execution rate
9.3 Preparation of proposals on electronic submission of financial reports by officials Execution: Cabinet of Ministers, Commission on fight against Corruption - 2013	33,33
22.6 Submitting proposals on increasing salaries of doctors and strengthening their social well-being Execution: Cabinet of Ministers, Ministry of Health – 2012-2015	33,33
14.2 Improving control on implementation of state procurement contracts, as well as payments afterwards Execution: State Procurement Agency, Ministry of Finance, Chamber of Accounts – 2013-2014	16,67
14.3 Preparation of mechanism limiting participation of physical and juridical persons in future state procurement, who have breached regulations on state procurement bids and in the implementation of procurement contracts Execution: State Procurement Agency, central executive powers - 2013-2014	16,67

14.4 Undertaking respective measures for investigating appeals with no delays in order to protect rights of contenders participating at state procurement bids Execution: State Procurement Agency, central and local executive powers – constantly	16,67
22.1 Speeding up measures regarding application of compulsory insurance system in health Execution: the Cabinet of Ministers, Ministry of Health – 2013-2014	16,67
23.2 Preparing proposals on effective usage of funds, as well as financial assistance allocated from state budget to state institutions Execution: Ministry of Economic Development, Ministry of Finance, State Institutions – 2013-2014	16,67

The most attention-grabbing points on the execution of NACAP are measures undertaken to upgrade legal framework. However, although there are a variety of normative legal-act drafts with anti-corruption potential and multiplicative efficiency prepared out there, their adoption and application are lagging:

1. Defining rules to evaluate effects of legal regulations;
2. Rules for normative legal act drafts to be passed through anti-corruption examination;
3. Draft law regarding protection of people informing corruption-related cases;
4. Rules on application of criminal-legal measures against juridical persons;
5. Normative legal act drafts regulating operational field of physical and juridical persons rendering brokerage services in pawnshops and real estate;
6. Proposals on limiting immunity of judges

Steps not being taken in application procedure of compulsory medical insurance, “about conflict of interests” law, not adopted for 2 years, Competition Codex not being accepted create serious hindrances for efficient implementation of policy on fight against corruption.

Despite being of basic priorities of National Strategy on developing transparency and fight against corruption, and in spite of taken into account in 2007-2011 Strategy Action Plan, having been included into NACAP later on, absence of mechanism on submission of financial information by officials should be noted as a serious hindrance.

Problems in regards with accountability of state institutions, non-preparation of operative control mechanisms on effective use of state funds still remain intact too.

Within last 4 years, organization and widening of electronic services have been put forward as main priorities on fight against corruption. However, organization and application of electronic services should be brought up to 4th and 5th level in order to have positive impact on specifically corruption-risky areas.

VI. RECOMMENDATIONS

- 1.** Coordinative and additional measures in connection with implementation of anti-corruption measures and initiatives by state bodies, specialized in the field on fight against corruption, should be more increased.
- 2.** It is highly important to complete implementation process of measures indicated in NACAP. Civil Society institutions should firstly forward their lawyer and promotional attempts towards this direction.
- 3.** Measures on anti-corruption indicated in NACAP and additional measures poised to lessen corruption risks, application of electronic services in corruption-risky areas should be in center of attention and to speed up procedures in this direction, corresponding attempts with civil society institutes have to be bolstered. NGOs, Mass Media should attempt to keep this issue on the agenda within the frame of fight against corruption.
- 4.** Preparation of methodology for the diagnostics of entrepreneurship atmosphere and evaluation in this direction would be very important step on fight against corruption. So, “Loan Rating System” launched by ASAN service is one of the important measures in this direction. “Loan Rating System” is a tool calculating accountability and purchasing power of citizens based on their workplace, income and debts. This system is intended for use by mainly banks, non-bank loan organizations, or mortgage funds.
- 5.** Prevention of conflict of interests and measures in the direction of concrete mechanisms regarding submission of financial information should be facilitated.
- 6.** Although “Transparency and accountability in education” courses have been added to programs of higher and secondary educational institutions, skills retraining programs, courses in regards with fight against corruption should also be added to educational programs. These measures are playing important role to help create anti-corruption culture.

7. “Open Government” civil society which will open soon for the purpose of implementation of anti-corruption measures, helping bolster bonds with civil society institutes during implementation period of measures indicated in NACAP; will be unique mechanism in terms of effective exchange of ideas and initiatives between civil society and private sector, enriching opportunities for dialogue. Civil society institutes should join their efforts for this reason and provide functionality of new platform on joint collaboration with state bodies.

8. Awarding civil society institutes engaged in fight against corruption with grants, organizing training courses, giving projects for fulfillment of awareness campaigns will pave the way for anti-corruption policy to be supported by the society, creating suitable conditions for reforms. Anti-corruption initiatives by NGOs are constantly supported by state bodies, as well as international donors and funding is allocated to their projects. Hence, extension of “Transparency Azerbaijan Partnership”-project implemented by “Transparency Azerbaijan” for the period of 3 years and support by state bodies for the execution of the project will make huge contribution to NGO activities and fulfillment of awareness measures in this direction.

9. State bodies and civil society institutes should constantly organize events in line with awareness and enlightenment on fight against corruption. Despite the fact that, lately there have been some events organized by state bodies and NGOs, the number of these activities should be enlarged much more.

10. There is need for additional measures for participation of state-owned companies, as well as companies with state stake in management of joint stock companies. Regarding that, the President of Azerbaijan Republic signed a decree on 5 September, 2016, to increase transparency in the management of juridical persons, of which control mechanism belongs to government. According to decree, regulations to assess efficiency in the functions of juridical persons and bundled management standards should be prepared. Of note, this decree will have utmost

importance in increasing transparency and accountability in the operations of state-owned companies and institutions.

11. Wide range of public discussions on anti-corruption measures is of great importance. It would be highly attractive for the Commission on fight against Corruption to prepare recommendations for state bodies. It is noteworthy that, in “about Public Discussion” law, procedures about public discussions, hearings have been indicated and relevant requirements put forward.

12. Establishing public councils may pave the way for widening public participation on fight against corruption. Although relevant councils and partnership networks have been launched by central and local executive bodies in order to deepen ties with civil society institutes, the process of setting up public councils under state bodies should be pushed forward as well.

13. State bodies and companies, respecting requirements indicated in the Law “On information acquisition”, have to increase their attempts in uploading respective information on their official web pages, as well as publish reports on implementation of measures described in NACAP.

14. Studies and researches play huge role in evaluating efficiency rating of executed measures in NACAP, finding out which effect gained as the result of implementation of measures on fight against corruption in general, or define which results have come out as the consequence of new mechanism, tool and procedures in concrete sectors. Statistical figures, concrete steps taken in connection with improvement of normative legal base, application of new mechanisms are examples of achievements. World practice shows that main components of effective fight against corruption are to pursue efficiency of steps taken and create quick responsive system for corrections. Therefore, state bodies specialized in fight against corruption, together with civil society institutes should join efforts to create mechanism in order to scale efficiency of executed measures on fight against corruption.