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**Anti-Corruption Network for Eastern Europe and Central Asia**

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## ISTANBUL ANTI-CORRUPTION ACTION PLAN

### THIRD ROUND OF MONITORING

### AZERBAIJAN

### PROGRESS UPDATE

The third round monitoring report on Azerbaijan was adopted in September 2013. Progress updates contain self-assessment and expert assessment of progress made since then. The document includes progress updates at the following ACN plenary meetings: **16-18 April 2014; 8-10 October 2014 and 23-24 March 2015.**

## SUMMARY

**13<sup>th</sup> ACN Istanbul Action Plan Meeting on 16-18 April 2014:** The progress report on implementation of the recommendations adopted in the third round was submitted on 3 April 2014 by Mr Kamran Aliyev, Director of the Anticorruption Department of the Prosecutor's Office of Azerbaijan and the Azerbaijan National Coordinator at the ACN. This progress update was reviewed by: Ms Anca Jurma, Romania; Ms Inese Gaika, OECD; and Mr Aleksandras Zinovičius, Lithuania.

The monitoring meeting congratulated Azerbaijan on progress recorded in the implementation of the 7 out of 20 recommendations since 2013, and noted that no progress was recorded regarding 11 recommendations. The table below summarises the assessment, including the recommendations where progress was noted or where it was lacking.

**14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014:** The progress report was submitted by the Anti-corruption Directorate with the Prosecutor General. This progress update was reviewed by Mr Andrei Kukharuk (Ukraine), Mr Romas Zienka (Lithuania) and Ms Inese Kuške (the Secretariat).

The monitoring meeting congratulated Azerbaijan on additional progress recorded in the implementation of the 5 out of 20 recommendations since 2013, and noted that no progress was recorded regarding 15 recommendations. The table below summarises the assessment, including the recommendations where progress was noted or where it was lacking.

**15<sup>th</sup> ACN Istanbul Action Plan Meeting on 23-24 March 2015:** The progress report was submitted by the Anti-corruption Directorate with the Prosecutor General. Besides, information was provided by TI Azerbaijan. This progress update was reviewed by Ms Anca Jurma (Romania), Mr Romas Zienka (Lithuania), Mr Sayan Akhmetzhanov (Kazakhstan) and Ms Inese Kuške (the Secretariat).

The monitoring meeting congratulated Azerbaijan on additional progress recorded in the implementation of the 9 out of 20 recommendations since 2013, and noted that no progress was recorded regarding 11 recommendations. The table below summarises the assessment, including the recommendations where progress was noted or where it was lacking.

**Table 1.** Summary of recommendations and assessment

<b>Recommendation</b>	<b>Progress in implementation</b>		
	<b>16-18 April 2014</b>	<b>8-10 October 2014</b>	<b>23-24 March 2015</b>
<b>Recommendation 1:</b> anti-corruption policy	Progress	Progress	Progress
<b>Recommendation 2:</b> civil society involvement, awareness-raising	Progress	Progress	No progress
<b>Recommendation 3:</b> anti-corruption coordination and prevention body	Lack of progress	Lack of progress	Progress
<b>Recommendation 4:</b> corruption offences, liability of legal persons, proactive investigations	Progress	Progress	Progress
<b>Recommendation 5:</b> foreign bribery	Progress	Progress	Lack of progress
<b>Recommendation 6:</b> effective regret, immunities	Lack of progress	Lack of progress	Lack of progress
<b>Recommendation 7:</b> confiscation	Lack of progress	Lack of progress	Lack of progress
<b>Recommendation 8:</b> access to financial data	Lack of progress	Lack of progress	Lack of progress
<b>Recommendation 9:</b> data bases, internal investigations	Lack of progress	Lack of progress	Progress
<b>Recommendation 10:</b> corruption and organised crime	Lack of progress	Lack of progress	Progress
<b>Recommendation 11:</b> money-laundering	Progress	Lack of progress	Progress
<b>Recommendation 12:</b> integrity in the public service	Progress	Lack of progress	Progress
<b>Recommendation 13:</b> transparency and discretion in public administration	Progress	Lack of progress	Lack of progress
<b>Previous recommendation 3.4.:</b> public financial control and audit	Progress	Lack of progress	Progress
<b>Recommendation 14:</b> public procurement	Lack of progress	Lack of progress	Lack of progress
<b>Recommendation 15:</b> access to information	Lack of progress	Lack of progress	Lack of progress
<b>Recommendation 16:</b> political corruption	Lack of progress	Progress	Lack of progress
<b>Recommendation 17:</b> immunities of judges; investigate corruption in judiciary	Lack of progress	Lack of progress	Lack of progress
<b>Recommendation 18:</b> independence and integrity of judges	Lack of progress	Lack of progress	Progress
<b>Previous Recommendation 3.9.:</b> business integrity	Lack of progress	Lack of progress	Lack of progress

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## PART I: PROGRESS IN IMPLEMENTING RECOMMENDATIONS

### Pillar 1. Anti-corruption policy and institutions

#### Recommendation 1.

- *Develop a methodology and conduct, on a regular basis, surveys of corruption situation in Azerbaijan and assessments of anti-corruption efforts. Their outcomes should be widely disseminated, discussed and used in the anti-corruption policy.*
- *Ensure the existence of a strategic basis of anti-corruption policy taking into account the results of the assessment and the discussion and reflecting main corruption problems in different areas, priorities and measures to fight corruption in a systematic way; effectively implement, monitor and regularly review it.*
- *Develop common guiding principles and methodology for anti-corruption plans by state and local public institutions, promoting their own corruption risk assessment, and enforce these plans; ensure units responsible for implementation of anti-corruption plans in state and local public institutions and promote their networking under the umbrella of the competent central government anti-corruption institution.*
- *Analyse corruption problems at municipal level and develop measures to target them. Ensure a central institution has clearly defined mandate and takes leadership in prevention of corruption in local governments.*

#### 13<sup>th</sup> ACN Istanbul Action Plan Meeting on 16-18 April 2014

*Measures taken to implement this recommendation (brief summary of measures taken to implement recommendations provided by the National Coordinator)*

For the last 6 months many methodological means, pamphlets, newsletters, journal and other means were prepared and published by Anti-corruption Directorate with the Prosecutor General of the Republic of Azerbaijan.

Centre for the Work with Municipalities in the Ministry of Justice is leading the efforts of prevention of corruption in municipalities. The Centre conducts trainings and audits of the implementation of the municipal legislation.

#### Assessment of Progress

*(Assessment of progress prepared by the monitoring experts and summary of the discussion at the IAP plenary)*

#### PROGRESS

Some progress is demonstrated regarding methodologies and assessment of anti-corruption measures in Azerbaijan. The Anti-Corruption Directorate regularly analyses complaints received by the hotline and proposes preventive measures. Two reports assessing anti-corruption efforts in Azerbaijan were published on November 2013: the Report on Monitoring of the National Anti-Corruption Action Plan for 2011-2015; and the Monitoring Report on implementation of Azerbaijan of Open Government Initiative National Action Plan 2012-2015. Both reports were developed by a group of NGOs (Transparency

Azerbaijan, "Constitution" Research Foundation, Economic Research Center and others) and funded by the USAID. It would be useful to further monitor how the Government is using these assessments and whether the conclusions are taken into account. No progress reported on other elements of this recommendation.

#### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

##### ***Measures taken to implement this recommendation***

For the last year many methodological means, pamphlets, newsletters, journal and other means were prepared and published by Anti-corruption Directorate with the Prosecutor General of the Republic of Azerbaijan. Two reports assessing anti-corruption efforts in Azerbaijan were published on November 2013: the Report on Monitoring of the National Anti-Corruption Action Plan for 2012-2015; and the Monitoring Report on implementation of Azerbaijan on Open Government Initiative National Action Plan 2012-2015. Both reports were developed by a group of NGOs (Transparency Azerbaijan, "Constitution" Research Foundation, Economic Research Center and others) and funded by the USAID.

About analysing the municipal corruption problems - Centre for the Work with Municipalities in the Ministry of Justice is leading the efforts of prevention of corruption in municipalities. The Centre conducts trainings and audits of the implementation of the municipal legislation.

##### ***Assessment of Progress***

Azerbaijan informed that steps are taken to develop a methodology to assess the implementation of the Anti-Corruption Action Plan, which covers the part of the recommendation to assess anti-corruption efforts (but not generally corruption problems, which can be outside the scope of the Action Plan). In September 2014 a *working group* was set up during the meeting of legislation working group under the CCC, which will be *in charge of developing methodology of corruption surveys*. The Government has received proposals from NGO regarding topics for studies on corruption; however, it did not lead to conduct of any such study, as recommended. The Government argued that it can conduct its own regular surveys, but the impartiality of such surveys gets questioned. A *permanent working group* on drafting legislation is set up under the CCC. Under it, a group has started to work on research into corruption, including NGOs, *which is working on methodology to assess the implementation of the anti-corruption action plan*. In the meantime, no progress is made in the area of anti-corruption strategic basis, anti-corruption plans by state and local public institutions and tackling corruption at municipal level. However, on the basis of additional information provided, the meeting agreed that there is **progress** in implementing this recommendation.

#### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on 23-24 March 2015**

##### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

The National Anticorruption Plan comes to an end at the end of this year. Therefore the Commission has charged the Working Group on the Improvement of Legislation to develop a methodology, principle and format of the evaluation of anti-corruption efforts under this action plan. Along with the representatives of civil society, the representatives of the public institutions within the working group will evaluate the degree of implementation of the measures, reflected in the Action plan. The results of the evaluation are planned to be discussed at the round table and published officially.

The Commission and Directorate continued their efforts in developing common guiding principles and

methodology for anti-corruption plans by state and local public institutions. Recently, the Directorate has engaged itself in the survey of corruption detection capacities of the state institutions, their ability at corruption risk assessment. After the completion of the survey, the ACD is planning a series of events aimed at training and networking of the specialized anticorruption units in various institutions. The Commission on Combatting Corruption collected anti-corruption plans in state and local public institutions in January and is about to finalize its evaluation as well.

### **Assessment of Progress**

**As already noted in October 2014, in line with this recommendation the CCC's Working Group on Improvement of Legislation develops a methodology to assess anti-corruption action plan implementation and intends to conduct an evaluation of the National Anticorruption Plan.**

**Besides, this recommendation called on Azerbaijan to conduct surveys on corruption. No progress is reported by the government on this. Meanwhile, the civil society, in alternative information provided before the March 2015 plenary meeting, reported two reports - the National Integrity System Assessment in July 2014 ([http://transparency.az/alac/files/NIS\\_AZERBAIJAN%20final%20Eng.pdf](http://transparency.az/alac/files/NIS_AZERBAIJAN%20final%20Eng.pdf)); and the report on Monitoring of E-services in December in 2014 (<http://transparency.az/alac/files/E-services%20final%20report%20%20eng%20TI%20Az.pdf>).**

**No progress is reported concerning strategic basis for anti-corruption efforts. Perhaps this element of recommendation will be taken into account in the work just started on the new anti-corruption Action Plan by the CCC, in co-operation with the ACD and the GPO.**

**It is commendable that the assessment of previous anti-corruption Action Plan implementation will be used in developing of the new Action Plan. It was recommended to Azerbaijan to monitor and regularly review anti-corruption strategy.**

**It is reported that anti-corruption plans in state and local institutions are being assessed and work is ongoing on drafting guiding principles for municipalities and local governments, as recommended. However, no steps are reported to analyse corruption at municipal level or that an institution would be doing something to tackle corruption at this level.**

**Lithuania noted there is progress in Azerbaijan demonstrated through their bilateral co-operation since 2008 in developing the anti-corruption system in Azerbaijan, including different IT systems.**

**The meeting agreed that there is progress in implementing this recommendation.**

### **Recommendation 2:**

- Ensure more effective and regular involvement of civil society in the development, implementation and monitoring of anti-corruption policies, research on corruption and in the work of the CCC, for example, by including a representative of the civil society as a member of the CCC.***
- Set up a mechanism under the authority of CCC to carry out monitoring and evaluation of the implementation of anti-corruption policy including civil society.***
- Implement well-targeted awareness raising activities in the most corruption-prone sectors and assess their outcomes.***

### **13<sup>th</sup> ACN Istanbul Action Plan Meeting on 16-18 April 2014**

#### ***Measures taken to implement this recommendation***

Civil society organisations were consulted in developing the new anti-corruption action plans and some of their proposals were taken into account. Under the new anti-corruption action plans the state increased financial support to NGOs for anti-corruption activities. There were held roundtables with civil society and international partners or supporting some corruption surveys by NGOs during the last period. The state increases financial support to NGOs for activities in the anti-corruption area. More anti-corruption projects implemented by NGOs are supported by the Council on State Support to Non-governmental Organizations under the President. More than 40 projects of NGOs have been financed since 2010 covering such topics as, for example, public awareness and research. ACD actively cooperates with the Informative Network of the Anticorruption NGOs (IN ACNGO). In the beginning of 2012, the ACD signed Memorandum on Understanding with the IN ACNGO.

ACD officers participate at the events run by NGOs. Civil society representatives contribute to the training of the ACD officers. Also, ACD holds joint with NGOs and civil society representative's annual and semi-annual conferences with participation of Mass Media about the work done in the fight against corruption. During these conferences NGOs and civil society representatives actively participate and give questions and opinions about actual issues.

ACD receives from NGOs (such as ALAC run by the Azerbaijani Chapter of the Transparency International) information on corruption allegations, which serve as a ground for launching criminal investigations.

#### ***Assessment of Progress***

##### **PROGRESS**

There are some steps reported in relation to involvement of civil society in anti-corruption efforts. Namely, in November – December 2013 a series of seminars were conducted jointly by NGOs and the Anti-Corruption Directorate and generally this practice of joint NGOs – ACD anti-corruption activities, already noted in the third round monitoring report, is developing. However, no progress is reported on the specific requirements of the recommendation.

A permanent working group on drafting legislation is set up under the CCC. Under it, a group has started to work on research into corruption, including NGOs, which is working on methodology to assess the implementation of the anti-corruption action plan.

### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

#### ***Measures taken to implement this recommendation***

Civil society organisations were consulted in developing the new anti-corruption action plans and some of their proposals were taken into account. Under the new anti-corruption action plans the state increased financial support to NGOs for anti-corruption activities. There were held roundtables with civil society and international partners or supporting some corruption surveys by NGOs during the last period. The state increases financial support to NGOs for activities in the anti-corruption area. More anti-corruption projects implemented by NGOs are supported by the Council on State Support to Non-governmental Organizations under the President. More than 40 projects of NGOs have been financed since 2010 covering such topics as, for example, public awareness and research. ACD actively cooperates with the Informative Network of the Anticorruption NGOs (IN ACNGO). In the beginning of 2012, the ACD signed Memorandum on Understanding with the IN ACNGO.



ACD officers participate at the events run by NGOs. Civil society representatives contribute to the training of the ACD officers. Also, ACD holds jointly with NGOs and other civil society representatives annual and semi-annual conferences with participation of Mass Media about the work done in the fight against corruption. During these conferences NGOs and civil society representatives actively participate and give questions and opinions about actual issues.

ACD receives from NGOs (such as ALAC run by the Azerbaijani Chapter of the Transparency International) information on corruption allegations, which serve as a ground for launching criminal investigations.

### ***Assessment of Progress***

As already mentioned in relation to the Recommendation 1, methodologies to assess the implementation of the Anti-Corruption Action Plan and to conduct corruption surveys are developed and, according to the Government, this work is led by civil society organisations. Civil society organisations also lead an *ad hoc* working group to draft a whistleblowers protection act. Such initiatives are very positive and show that there is some **progress** in implementing this recommendation. However, it is essential to continue involving civil society organisations in a more regular manner and more specifically in the activities stated in the recommendation.

### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

#### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

In September 2014, the *ad hoc* group on improvement of legislation set up a group, which was charged with development a methodology of regular basis, surveys of corruption situation in Azerbaijan and assessments of anti-corruption efforts. Working group elaborated recommendations on drafting annual reports. These recommendations were taking into account by the commission on combating corruption. The mentioned recommendations were included in the Directive on the elaboration of reports concerning the implementation of the anticorruption corruption strategy items. Accordingly the ministries and other agencies of central executive elaborated their reports on the implementation of anticorruption strategy based on this directive. The commission on combating corruption received these report is in the beginning of the year. Accordingly the recommendations of the working group will be taken into account after processing of all reports submitted by the Ministry and are the agencies of the central executive authority.

As 2015 is the final year for the recent anticorruption strategy, the Commission has already launched the overall assessment of the implementation, aimed at formulation of the assessment. The Commission has also launched set of regular consultations with the Anticorruption Directorate of the Prosecutor's Office, State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan and civil society in order to gather information on corruption problems in different areas. In the outcome, the Commission is planning to reflect these findings in the framework of its priorities and measures. It is the intention of the commission to elaborate immune system of monitoring which will provide for this systematic review of the implementation of the strategy.

Based on the reports received from the ministries and other agencies of the central executive authority, the working group is planning to collaborate concise document reflecting guiding principles and methodology for anti-corruption plans by state and local public institutions.

Commission continued his efforts aimed at bringing together, starting dialogue and promote exchange of opinion between units responsible for implementation of anti-corruption plans in state and local public institutions. The Anticorruption Directorate was used as a venue for a series of meetings and consultations.

Whistle-blowers protection draft law elaborated by Civil society organisations-led *ad hoc* working group was submitted for review and submission of proposals to state institutions.

The Municipality Centre under the Ministry of Justice continued to analyse corruption problems at municipal level. Ineffective channel of communication between this centre and the Anticorruption Directorate was built. As a result of the effective work of this channel number of criminal cases were launched in the Anticorruption Directorate. In its turn the directorate provided this centre with the feedbacks, which were used by the latter in the development of internal methodology for detection of corruption. As a result of the quality of the materials concerning corrupt practices in the municipalities has raised.

**Assessment of Progress**

**Civil society opinions were taken into account in preparing a new directive on preparation of implementation reports for the current National Anti-corruption Action Plan. Meanwhile, no information with regard to the involvement of civil society in elaboration of the new anti-corruption action plan or awareness raising in corruption-prone areas is provided. It is concluded that there is no tangible progress regarding this recommendation.**

**Recommendation 3:**

***Conduct an assessment of co-ordination of anti-corruption efforts in Azerbaijan, in particular the capacity of the Commission on Combating Corruption and its Secretariat.***

***Take measures to ensure a more active role of the Commission on Combating Corruption in conducting its mandate, ensure the necessary degree of independence and take measures to better resource its Secretariat.***

**13<sup>th</sup> ACN Istanbul Action Plan Meeting on 16-18 April 2014**

***Measures taken to implement this recommendation***

**Assessment of Progress**

**NO PROGRESS**

**14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

***Measures taken to implement this recommendation***

**Assessment of Progress**

**NO PROGRESS**

### 15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015

#### *Measures taken to implement this recommendation (to be provided by national coordinator)*

The Secretariat of the Commission on Combating Corruption and its Secretariat Conduct has continued implementation co-ordination of anti-corruption efforts in Azerbaijan, as a principal trend of its mandate. The Secretariat has revised the rules of reporting by the ministries and other agencies of the central executive authority in order to collect comprehensive information. Thus the commission have reviewed the mechanisms of training in the field of anti corruption, conflict of interests, assets declaration. As a result the commission recommended elaboration of amendments in the regulatory system, including elaboration of rules, decrees and statutory provisions.

#### *Assessment of Progress*

**A number of steps taken by the CCC have been reported, including development of the Directive for public institutions to report about implementation of the National Anti-corruption Action Plan, with inputs from civil society. An assessment of implementation of National Anti-corruption Action Plan is envisaged. Work on the new Anti-corruption Action Plan has started in coordination with ACD and GPO. As it was explained during the plenary meeting, CCC is also more active in legal drafting in anti-corruption area. So, these are positive steps showing that the CCC, as recommended, becomes more proactive in conducting its mandate. However, no assessment of coordination of anti-corruption efforts in AZ is made. In sum, there is progress in relation to this recommendation.**

## Pillar 2. Criminalisation of corruption

### Recommendation 4:

- Develop training curricula and organize training sessions for investigators and prosecutors with regard to detecting, investigating and prosecuting of bribery offences, when the bribe was merely offered or promised, as well as cases based on non-material benefits as an object of bribery.
- Introduce criminal procedure provisions for the enforcement of the criminal liability of legal persons that will enable investigators and prosecutors to effectively pursue corruption cases that involve legal persons. Ensure autonomous nature of the corporate liability, namely that it is not dependent on investigation, prosecution or adjudication of the case against a natural person.
- Develop guidelines for investigators, prosecutors and judges on the application of both substantial and procedural rules on criminal liability of legal person.
- Organize training sessions for the above mentioned practitioners based on the legislation and the guidelines for practical application and use successful examples of application of this concept by other jurisdictions.
- Consider introducing in the legislation an exemption (defence) from liability for legal persons with effective internal controls and compliance programmes.
- Facilitate the detection and investigation of newly introduced provisions and new elements of the previously existing corruption offences:
  - (i) increase proactiveness of the law enforcement and prosecution authorities notably through an increased use of analytical tools;

(ii) use more actively other detection tools in addition to intelligence information gathered by law enforcement, such as media reports, information received from other jurisdictions, referrals from tax inspectors, auditors and FIUs, as well as complaints received via government websites and hotlines, as well as information from other complaint mechanisms, as a basis for launching investigations.

#### **13th ACN Istanbul Action Plan Meeting on 16-18 April 2014**

##### ***Measures taken to implement this recommendation***

Within the partnership in the Technical Assistance and Information Exchange (TAIEX) instrument managed by the Department-General Enlargement of the European Commission on 28-29 January 2014 was organised workshop on *Criminal liability of legal entities* in co-operation with Anti-Corruption Directorate. This was the first stage of this workshop, second stage will be held in May 2014.

Therefore, legislation drafts on applying criminal legal measures to legal entities were prepared by the Anticorruption Directorate with the Prosecutor General and have been submitted to the Cabinet of Ministers of the Republic of Azerbaijan. After the law adoption the other proceedings will be conducted.

##### ***Assessment of Progress***

###### **PROGRESS**

An important development under this recommendation is that legislation on applying criminal measures on legal persons was drafted and submitted to the Cabinet of Ministers in January 2014. However, it remains draft.

Overall there seem to be an effort to organise regularly training for anti-corruption prosecutors and investigators. For example, in January 2014 a first workshop on criminal liability of legal entities in co-operation with Anti-Corruption Directorate was organised. It was reported that the issue of offering a bribe was several times discussed during the training.

#### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

##### ***Measures taken to implement this recommendation***

Within the partnership in the Technical Assistance and Information Exchange (TAIEX) instrument managed by the Department-General Enlargement of the European Commission on 28-29 January 2014 was organised workshop on *Criminal liability of legal entities* in co-operation with Anti-Corruption Directorate. This was the first stage of this workshop, second stage will be held in December 2014.

Therefore, legislation drafts on applying criminal legal measures to legal entities were prepared by the Anticorruption Directorate with the Prosecutor General and have been submitted to the Cabinet of Ministers of the Republic of Azerbaijan. A draft ordinance of the Prosecutor General on guidelines of rules for prosecutors and investigators has been prepared by the ACD and after the law adoption this guidelines and other proceedings will be conducted.

On 15-16 September was held seminar on Liability of legal persons for corruption offences within the Eastern Partnership Programme of the Council of Europe with the participation of the prosecutors, investigators, judges and academicians of the national universities. Presentations were made by Council of Europe experts Tilman Hoppe and Thomas Melzer.

ACD actively uses other information for investigating, these include reports of governmental organizations and also citizen's complaints. For the period of 2012-2014 4 criminal cases were launched based on the information received from the Ministry of Taxes, 4 cases based on the information received from the Chamber of Accountants, for the period of 2013-2014 16 cases based on the information received from the Financial Monitoring Service, and for the period of 2011-2014 (first half) 96 criminal cases were launched based on the complaints from the hot-line of the ACD.

### ***Assessment of Progress***

As mentioned by Azerbaijani delegation during the meeting, there is a working group in the prosecution service reviewing procedural and other rules and perhaps this could lead to developing guidelines/methodology also for investigating and prosecuting corruption offences, and it could include guidelines for investigating and prosecuting corruption committed by legal persons. The procedural rules to enable investigators and prosecutors to enforce responsibility of legal persons for corruption also remain a draft. Information available does not allow to properly assessing to what extent the work on the existing rules and the draft rules regarding liability of legal persons meet the requirements of this recommendation.

Regarding training for prosecutors and investigators, on the liability of legal persons a seminar took place in January, as mentioned previously, a new one in September and there is one planned in December. It would be important to train prosecutors and investigators on the prosecution and investigation of corporate liability in Azerbaijan once the procedural rules and the guidelines are adopted. No information was provided on training on cases when bribe was merely offered or promised and cases based on non-material benefits as an object of bribery.

The plenary concluded that some **progress** is made under this recommendation.

### **15th ACN Istanbul Action Plan Meeting on March, 2015**

As the ACD has become the exclusive agency for the investigation of corruption offences, the practical trainings are planned within the Directorate. The Organization and Information Support Department of the ACD has developed training curricula. Training sessions for investigators and prosecutors with regard to detecting, investigating and prosecuting of bribery offences, including instances when the bribe was merely offered or promised, as well as cases based on non-material benefits as an object of bribery, were held in 2 ACD Departments: Preventive Measures and Inquiry Department and Investigation Department.

The criminal procedure provisions for the enforcement of the criminal liability of legal persons have not been adopted into Law yet.

According to the statistic data, the ACD looked at 3,194 communications from citizens, 218 out them were considered as communications on corrupt activities. 82% of the communications on corrupt activities became the basis for institution of criminal cases.

During 2014, 4,495 communications were received by means of the ACD Hot-line. 21 communications laid the basis for institution of criminal cases.

During 2014, 807 applied to the ACD, 139 of them were received in person.

**Assessment of progress**

Regarding training on elements of corruption, Azerbaijan provided some general information on training, but no details on quality or quantity of the training, which therefore cannot be assessed at this stage.

Regarding criminal procedure norms, guidelines and training, steps are taken to develop draft legislation on procedural norms applicable to CLLP, as well as to development of guidelines and methodologies for prosecutors. In addition, during the plenary, information was provided on a EU-funded project initiated by the MoJ and the GPO on increasing the capacity of enforcement of the CLLP. However, it is still at the level of draft and nothing is enacted yet.

Concerning pro-activeness of law enforcement authorities and prosecutors, Azerbaijan reports on statistics about the notifications received from citizens and hotlines and how many of them formed the basis for opening a corruption case. However, there is no information about important sources of detection of corruption like tax inspectors' reports, referrals from auditors and other control bodies.

In conclusion, minor progress is recorded under this recommendation.

**Recommendation 5:**

- Develop training curricula and organize training sessions for investigators and prosecutors with regard to detecting, investigating and prosecuting of bribery of foreign public officials.
- Develop guidelines for investigators, prosecutors and judges on the application of the offence of bribery of foreign public officials.
- Increase pro-activeness of the prosecution authorities in detection of foreign bribery (last bullet point of Recommendation 4 applies here)

**13th ACN Istanbul Action Plan Meeting on 16-18 April 2014**

**Measures taken to implement this recommendation**

Each Saturday according to the Ordinance of the Prosecutor General training curricula are held at the Directorate for investigators, prosecutors and detectives on various themes, including detection, investigation and prosecution of bribery of foreign public officials.

Also, within the partnership in the Technical Assistance and Information Exchange (TAIEX) instrument managed by the Department-General Enlargement of the European Commission it is planned to hold seminars in co-operation with Anti-Corruption Directorate.

**Assessment of Progress**

**NO PROGRESS**

**14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

**Measures taken to implement this recommendation**

Each Saturday according to the Ordinance of the Prosecutor General training curricula are held at the Directorate for investigators, prosecutors and detectives on various themes, including detection, investigation and prosecution of bribery of foreign public officials. It is planned to hold seminar on this theme with the participation of foreign experts in January 2015.

Draft guidelines for investigators and prosecutors for the offence of bribery of foreign officials has been prepared by the ACD and sent for reviewing to the other departments of the General Prosecutor's Office.

Also, within the partnership in the Technical Assistance and Information Exchange (TAIEX) instrument

managed by the Department-General Enlargement of the European Commission were held seminars in co-operation with the Anti-Corruption Directorate in February 2014 on theme of the increasing pro-activeness of the prosecution authorities in detection of foreign bribery.

#### ***Assessment of Progress***

In February 2014, training for investigators and prosecutors on foreign bribery took place financed by the EU TAIEX programme. Azerbaijan noted during the plenary meeting that prosecutors from Baltic countries and the United Kingdom participated. Guidelines to investigate foreign bribery are being developed by the ACD, but it remains a draft and cannot be taken into account in the assessment. No curriculum was developed for training on foreign bribery. Therefore, only some minor **progress** is made under this recommendation.

#### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

##### ***Measures taken to implement this recommendation***

Detecting, investigating and prosecuting of bribery of foreign public officials, as atopic, was included in the training curricula developed by the ACD Organization and Information Support Department for the training sessions run by the ACD Investigation Department and the ACD Preventive Measures and Inquiry Department.

ACD has developed draft guidelines for investigators, prosecutors, which have been submitted for review by the departments of the General Prosecutor's Office. After completion of the review, it is planned to hold joined consultations with the Ministry Of Justice.

##### ***Assessment of Progress***

**Regarding training, guidelines and detection of foreign bribery, Azerbaijan reports some training on this issue by the Anti-Corruption Department, but no concrete information regarding the quantity and quality of it was provided. The number of prosecutors/detectives trained with the exception of above-mentioned EU program, in relation to which also limited information is provided. The guidelines remain a draft. In this light, the plenary concluded that there is a lack of progress.**

#### **Recommendation 6:**

- **Further analyse application of the effective regret defence with the view of identifying the elements that can be revised in order to limit its application and incentivise the detection and discouragement of the active bribery offences.**
- **Pursue the efforts to reduce the scope of immunity of the MPs and judges and regulate the procedure for lifting the immunity in such a manner that would not be an obstacle for the investigation and prosecution.**

#### **13<sup>th</sup> ACN Istanbul Action Plan Meeting on 16-18 April 2014**

##### ***Measures taken to implement this recommendation***

Draft law on Plea Bargain had been sent to the Cabinet of Ministers and after its adoption active bribery will be reviewed. Reduction of judges' immunity is noted in the National Anti-corruption Plan 2012-2015 and the work in this section is in progress.

##### ***Assessment of Progress***

#### **NO PROGRESS**

Azerbaijani authorities have prepared the draft law on Plea Bargain (a copy was provided to the



monitoring team). It was explained during the plenary that in preparing this draft law experience in Georgia and the United States was examined. After this law is adopted it is planned to repeal the effective regret defence and introduce a new note in the Criminal Code.  
No information provided on immunities of judges and MPs.

#### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

##### ***Measures taken to implement this recommendation***

The use in practice of the special defence provided by the note to section 312 PC, in the Prosecutor's Office and in the Anti-Corruption Department of the General Prosecutor's Office in particular, has been examined repeatedly, most recently in May-July 2012 in the context of the UNCAC Implementation Review as well as in October 2012 within GRECO III Evaluation Round. The analysis reveals, inter alia, that out of 11 criminal cases initiated against 16 persons for passive bribery in 2011, in seven cases criminal prosecution for active bribery was refused on grounds of coercion by the public official (bribe-taker). It must be stressed that the decision to apply the defence provision can be contested. In 2011, in several cases the bribe-takers launched such complaints at different stages of proceedings (before and during the trial), but the investigators, supervising prosecutors and finally the courts confirmed that there had been coercion by the bribe-takers and that the decisions to apply the defence provision contained in the note to section 312 PC were therefore well-founded.

Along with abovementioned, it is necessary to emphasize that the main cause substantiating the exemption from prosecution under the note to section 312 PC is the clandestine nature of bribery. At the moment, the cancellation of the provision or adding new terms in its structure will cause a sharp reduction in number of complaints or other information regarding corruption offences and create the conditions for such crimes remain latent. However we stress, that respected authorities understand the importance of revision of the mentioned NOTE and even some significant steps were made towards that direction. Recently, the capacity of the Anti-Corruption Directorate to detect corruption crimes has increased, since it has been granted wider powers to use special investigative measures by the Detective-Search Activity (Amendment) Act of 18 March 2011. Now that the Directorate does not rely so heavily on the voluntary information of parties to bribery. In addition, whilst this issue was discussed in the Directorate it was agreed to replace the NOTE through inclusion of provisions on "Plea Bargaining" to the Criminal Code. In connection with that decision the appropriate draft law was submitted to Ministry of Justice.

Reducement of judges immunity is noted in the National Anti-corruption Plan 2012-2015 and the work in this section is in progress.

Procedures for lifting the immunity of the MPs and judges has been prepared by the ACD and draft was sent for review to the relevant ministries.

##### ***Assessment of Progress***

While it is positive that the ACD continues to support procedures for lifting the immunity of the MPs and judges, no progress is reported in adopting such procedures. The draft law on Plea Bargain, as stated by Azerbaijani delegation during the plenary, is now with the Parliament. Hence, at this stage the plenary concluded that **no additional progress is made.**

#### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

##### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

The ACD continued to analyse application of the effective regret defence with the view of identifying the



elements. Although it is still a provision of the law, it has not been relied much in the activity of the ACD. The Directorate continued to employ measures of intelligence based operations to catch bribe-takers.

The appropriate draft legislation on reduction of the scope of immunity of the MPs and judges has been sent for proposals to the relevant state agencies, as reported at the previous stage. The proposals were communicated to the Commission on Combatting Corruption, Judicial Legal Council and the Parliament. As the proposals received from the ministries and other state institutions were conflicting each other, the proposals are subject to additional review. Despite differences in the positions, immunity provision is planned to be implemented in time, according to the schedule of the Anticorruption Strategy.

#### *Assessment of Progress*

**Azerbaijan reports some changes in its practice, namely about more cases being built on reports received by citizens before they pay the bribes and that in many cases active bribery is not punished for reasons of coercion. However, not sufficient information was provided demonstrating that steps would have been taken to identify elements that could be revised in the legal defense of effective regret and not enough efforts are taken to improve detection and discouragement of active bribery. The law on plea bargaining that is supposed to significantly reduce the scope of effective regret is still in the drafting phase; therefore, no progress is reported under this element. Finally, no progress is reported on reducing the immunities. The meeting agreed there is no tangible progress under this recommendation.**

#### **Recommendation 7:**

- **Continue to monitor the effectiveness of the confiscation regime.**
- **Continue to collect and analyse accurate statistics on what property is being confiscated, how the property is being disposed of, and the amount of proceeds of crime recovered.**

#### **13th ACN Istanbul Action Plan Meeting on 16-18 April 2014**

##### *Measures taken to implement this recommendation*

Analysis of the practice of application of confiscation provisions is a regular item of the work plan of the Anticorruption Directorate and other Departments of the General Prosecutor's Office responsible for supervision over the lawfulness of investigation in all competent bodies.

During the last year total value of confiscated assets and property amounted to approximately 3.36 million Manats.

ACD is collecting and regularly providing data in regards to confiscation applied in corruption cases.

##### *Assessment of Progress*

During the meeting it was clarified by Azerbaijani authorities that the last year total value of confiscated assets and property - approximately 3.36 million Manats (4.2 million USD) - is the amount confiscated by the Anti-Corruption Directorate and it is the figure after court decision.

While it was pointed out during the meeting that Anti-Corruption Directorate's (ACD) regular reports include information about confiscation, however, no specific information was provided about monitoring of effectiveness of confiscation, what property is confiscated, how it is disposed of and the amount of proceeds recovered. Therefore, the meeting decided that there is lack of progress.

#### 14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014

##### *Measures taken to implement this recommendation*

Analysis of the practice of application of confiscation provisions is a regular item of the work plan of the Anticorruption Directorate and other Departments of the General Prosecutor's Office responsible for supervision over the lawfulness of investigation in all competent bodies.

During the 2012 year total value of confiscated assets and property amounted to approximately 9.716 million Manats and in 2013 it was 3.36 million Manats. These properties are residential and non-residential premises, land areas, cars and apartments. For 2012 land areas valued at 839.688 manats, residential premises valued at 3.791.000 manats, non-residential premises valued at 5.065.974 manats and cars valued at 20.000 manats were confiscated by the ACD. For 2013 residential premises valued at 3.327.497 manats and non-residential premises valued at 30.000 manats were confiscated.

ACD is collecting and regularly providing data in regards to confiscation applied in corruption cases.

Subject to the instruction of the Cabinet of Ministers, relevant state organizations reviewed the Rules on Registration, Evaluation, Storage, Usage and Sale of the Property Confiscated, Inherited by State. The review reports were submitted to the State Property Affairs Committee.

##### *Assessment of Progress*

Some additional information is provided regarding the types of property that was confiscated in 2012 and in 2013. Yet no information is provided about monitoring of the effectiveness of confiscation, how confiscated property is disposed of and the amount of proceeds recovered. Therefore, the meeting decided that there is **lack of progress**.

#### 15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015

##### *Measures taken to implement this recommendation (to be provided by national coordinator)*

ACD has developed the mechanism of monitoring the effectiveness of the confiscation regime. This mechanism allows maintaining the statistics of the property to be seized or frozen. ACD continued to collect and analyse accurate statistics on what property is being confiscated, how the property is being disposed of, and the amount of proceeds of crime recovered. Thus, out of 15,680,482.00 manat damage to state property 6,309,352.00 manat, i.e. 40,2% was recovered. Out of 60,483,452.00 manat damage to private property 48,575,232.00 manat, i.e. 80,3% was recovered. Out of 1,107.00 manat damage to municipal property 1,107.00 manat, 100% was recovered.

##### *Assessment of Progress*

**Azerbaijan provided some statistics on the amount of money recovered in cases, in which the court required from convicted persons to compensate the damage caused to the victim (state or private entity). However, no information was made available on a proper monitoring of the effectiveness of the confiscation, in order to address the concerns of the monitoring report, such as: how seized and confiscated property is evaluated, stored, managed during trial, what happens to property that is losing its value, how it is disposed of – and that in the absence of a specialised agency for assets'**

management. There is no information on the follow-up to the discussions on setting up an Asset Management Office in Azerbaijan.

The monitoring meeting decided that there was no progress in the current reporting period.

#### Recommendation 8:

- Introduce measures to ease the proceedings for the access of the prosecutors, and particularly in corruption cases, to bank, financial and commercial records.
- Consider amending the Criminal Procedure Code to allow these activities to be performed by order of a prosecutor, without authorization from a court.

#### 13th ACN Istanbul Action Plan Meeting on 16-18 April 2014

##### *Measures taken to implement this recommendation*

Draft Laws on accessing of the prosecutors to bank, financial and commercial records in corruption cases had been prepared by the ACD and sent for reviewing to the relevant Ministries.

##### *Assessment of Progress*

#### **NO PROGRESS**

It was indicated during the meeting that the draft legislation to ease the access to bank and financial information by anti-corruption prosecutors was sent to the ministries for review in December 2013, that it is planned this to be an amendment to the regulation on the Anti-Corruption Directorate. Regarding amendment to the Criminal Procedure Code, there are discussions at the Ministry of Justice.

#### 14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014

##### *Measures taken to implement this recommendation*

Draft Law on accessing of the prosecutors to bank, financial and commercial records in corruption cases had been prepared by the ACD and sent for reviewing to the relevant Ministries.  
Draft Law on amendments to Criminal Procedure Code regarding the accession of the prosecutors to bank, financial and commercial records in corruption cases has been prepared by the ACD and sent for reviewing to the relevant Ministries.

##### *Assessment of Progress*

No new information was provided; the meeting concluded that there is **lack of progress**.

#### 15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015

##### *Measures taken to implement this recommendation (to be provided by national coordinator)*

ACD has received responses from ministries regarding the draft laws and works on introduction of the proposals.

##### *Assessment of Progress*

**The draft law hoped to address the issues raised by this recommendation is still under discussions. No progress.**

**Recommendation 9:**

- **Further develop and make full use by Anti-Corruption Department of the information contained in the National Corruption Crimes Database and other sources in order to identify most frequent typologies of corruption, most vulnerable sectors and vulnerabilities within internal regulations and/or working methods of the public agencies that have been targeted by corruption investigations.**
- **Pursue efforts to grant the prosecutors direct and swift access to the relevant information detained by public institutions (i.e. criminal record, personal record, passports, vehicles registration, border police data, register of immovable property, etc.).**
- **Further strengthen the capacity of the internal investigation, control, audit or inspection bodies within the ministries or other public authorities to identify corruption or corruption related incidents within the institutions they control and to notify Anti-Corruption Department whenever a suspicion of a corruption offence is revealed.**

**13th ACN Istanbul Action Plan Meeting on 16-18 April 2014**

***Measures taken to implement this recommendation:***

Anti-Corruption Directorate based on the information gathered from Central Data Base, in the course of investigation of cases and examination of facts and information sent for consideration develops motions and gives recommendations directly to the ministries and other relevant agencies on the existing problems with the applicable bylaws. The Ministries and other relevant agencies are obliged to study the motions and take appropriate measures within one month.

The prosecutors of the ACD have an access to the passports, border police data and personal details. Also

Draft on laws of ACD joining the databases of the relevant ministries, including vehicle and real estate registers were sent to the Cabinet of Ministers.

The internal investigation, control, audit or inspection bodies within the ministries or other public authorities regularly sent suspicious materials to be examined at the ACD.

***Assessment of Progress***

**NO PROGRESS**

Steps are taken to pursue efforts to grant access to various data basis. Draft laws on ACD accessing the databases of the relevant ministries, including vehicle and real estate registers were sent to the Cabinet of Ministers. However, as noted during the plenary, these drafts were rejected. In the meantime, this measure is in the National Anti-Corruption Action Plan and therefore work will continue.

**14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

***Measures taken to implement this recommendation***

Anti-Corruption Directorate based on the information gathered from Central Data Base, in the course of investigation of cases and examination of facts and information sent for consideration develops motions and gives recommendations directly to the ministries and other relevant agencies on the existing problems with the applicable by-laws. The Ministries and other relevant agencies are obliged to study the motions and take appropriate measures within one month.

The prosecutors of the ACD have an access to the passports, border police data and personal details. Also Draft on laws of ACD joining the databases of the relevant ministries, including vehicle, condemnation registers, "Student-graduate" database and database of the Ministry of Communications and High Technologies were sent to the Cabinet of Ministers.

The internal investigation, control, audit or inspection bodies within the ministries or other public authorities regularly sent suspicious materials to be examined at the ACD:

- For the period of 2013 174 materials were sent from the internal bodies of relevant ministries, agencies and other private entities to be examined by the ACD. 158 criminal cases were launched based on these materials.
- For the 1<sup>st</sup> half of 2014 169 materials were sent from the internal bodies of relevant ministries, agencies and other private entities to be examined by the ACD. 90 criminal cases were launched based on these materials.

### ***Assessment of Progress***

The importance of direct access to information for the purposes of analytical and operational work in Azerbaijan was highlighted during the meeting. The meeting welcomed the work of the Anti-Corruption Department in developing draft legislation, which could ensure a better access to the information necessary to detect and prosecute corruption. The work should continue. At this stage, the meeting concluded that **no progress** is reached in implementing this recommendation.

### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

#### ***Measures taken to implement this recommendation***

The Anticorruption Directorate continued to diversify its sources. In addition to the National Corruption Crimes Database, 161-Hot Line and written information from citizens and legal persons, ACD has also developed a system of reception of citizens.

Organization and Information Support Department of the Directorate were trained to receive citizens and record the appropriate information. They are operated on regular shift basis. In addition, the management of the ACD receives the citizens on regular basis several times a week. Within 2 months of operation in 2015, 200 persons were received, their complaints were recorded and analysed.

According to its newly developed Charter, Organization and Information Support Department (which used to be a division) of the Directorate, has started to carry its function to develop strategy of the Directorate based on typologies for corruption, charting of public sector areas according to their vulnerability to corruption practices. The Strategy serves, among others, as a roadmap for detective operations.

During the reporting period, the ACD received on-line access to the Database of the State Commission on Admission of Students (to universities), which include information on education and certificates. In addition, in November 2014, President of the Republic has signed the Order on the Access of the ACD to all public databases on movable property, including vehicle registration.

#### ***Assessment of Progress***

**Azerbaijan reports that Organization and Information Support Department of the ACD started to develop the strategy of the ACD, based on typologies of corruption, charting public sector according to their vulnerability to corruption. The intention is to use it as a roadmap for detection work.**

**The meeting appreciated and commended Azerbaijan for this initiative, however, more information is needed to support this assertion, for instance, examples of vulnerable sectors charted and the number**

of detective operations launched accordingly), otherwise it remains difficult to assess the progress made on this issue.

Regarding granting prosecutors with access to public records, information was provided that now prosecutors have direct access to new data base of student's graduates (on education, certificates). Also, they have legal basis (following a Presidential decree) to access some public data basis on movable property, including vehicles. However, this access is not operational in practice yet. The meeting concluded that there is progress in this area.

#### Recommendation 10:

- Take measures that Ministry of Internal Affairs and the Prosecutor General's Office, mainly its Anti-Corruption Department, place more emphasis in identifying and investigating cases in which organized crime and corruption are linked.
- Continue to organize joint trainings in these connected areas for investigators and prosecutors of the Ministry of Internal Affairs and Anti-Corruption Department of the Prosecutor General's Office.

#### 13th ACN Istanbul Action Plan Meeting on 16-18 April 2014

*Measures taken to implement this recommendation:*

#### *Assessment of Progress*

**NO PROGRESS**

#### 14th ACN Istanbul Action Plan Meeting on 8-10 October 2014

#### *Measures taken to implement this recommendation*

As it is mentioned in the Law on Combating Corruption all relevant bodies fight against corruption within their competence. During the last 3 years 172 criminal cases out of 474 were jointly investigated with the relevant authorities (including Ministry of Internal Affairs). In 2012 this was 40, in 2013 45 and in the 8 months of 2014 it was 87 criminal cases.

As we see from the statistics, numbers of jointly investigated criminal cases are increasing. Also 8 criminal cases were sent to ACD to continue the investigation by the Ministry of Internal Affairs during 2012-2014.

Joint trainings with the investigators of the Ministry of Internal Affairs and ACD prosecutors and investigators will be held in March 2015 regarding corruption offences.

#### *Assessment of Progress*

The meeting welcome information on jointly investigated cases and training foreseen in 2015, but concluded that **no progress** is made at this moment.

#### 15th ACN Istanbul Action Plan Meeting on March, 2015

#### *Measures taken to implement this recommendation (to be provided by national coordinator)*

The Ministry of Internal Affairs is not entitled by law to investigate corruption cases. The MIA is not entitled to carry out detective (SIM) measures aimed at corruption, except for cases authorized by the ACD.

According to the provisions of the Code of Criminal Proceedings, the criminal investigation shall be carried out in secrecy. Violation of these rules shall be subject to criminal prosecution, according to the Penal Code of the Republic of Azerbaijan.

Therefore, the ACD is not sharing investigating information with the police. In cases, where the ACD identifies organized criminal groups engaged in corruption activities, it has sufficient ability to investigate these cases without participation of police.

The ACD always involves police officers when it organizes multi-agency trainings

The ACD seeks clarification from the IAP regarding the ways of implementation of this recommendation.

**Assessment of Progress**

**Azerbaijan indicates that the ACD has a unique competence in corruption and it is able to handle alone (without the help of police) cases, in which organised groups are engaged in corruption. During the plenary meeting Azerbaijan mentioned about a number of cases in which corruption and organised crime were investigated by the ACD. This is to be commended. Nevertheless, even when an agency has exclusive mandate on certain types of offences (such as corruption), that does not exclude the need to ensure inter-institutional co-operation. Agencies with general competence, such as police, should always be ready to help and support anti-corruption body and the later should not isolate itself. Joint meetings, joint training could be useful. It is important to encourage police to identify possible corruption elements of the organised crime cases they investigate, even if this means to transfer the case to the ACD. However, no information about efforts to implement this recommendation by the Ministry of Internal Affairs is provided.**

**In sum, the meeting concluded that there is some progress.**

**Recommendation 11:**

- Continue to improve the capacity of the Financial Monitoring Service to analyse financial information and detect suspicious transactions, as well as the quality and percentage of referrals it makes to the prosecution.
- Evaluate the needs to fully use or further develop the data mining and analysis of information IT software currently in place and the training needs of the persons operating it.
- Pursue with the draft legislation to implement FATF Recommendation 12 regarding the domestic and international PEPs, their family members and close associates and develop subsequent bylaws and guidelines to be used by the reporting entities for the implementation of this legal provision.
- Take the necessary measures (either by normative acts, or instructions to prosecutors, training of judges and prosecutors, disseminating relevant jurisprudence, etc.) in order to clarify that criminal liability for money laundering offences should not be dependent on a conviction for the predicate offence, nor limited to predicate offence committed within Azerbaijan’s jurisdiction, should go beyond self-laundering, and should consider the possibility to infer the subjective element also from objective, factual circumstances.
- Continue with the organization of joint trainings for FMS officers, investigators, prosecutors and judges in the field of money laundering and anti-corruption.

**13th ACN Istanbul Action Plan Meeting on 16-18 April 2014**

*Measures taken to implement this recommendation:*

**Assessment of Progress**

**NO PROGRESS**

**14th ACN Istanbul Action Plan Meeting on 8-10 October 2014**

*Measures taken to implement this recommendation*

Improvement of the system on receiving information and analysing it according to the *Fight against Legalization of Money and other Property and Financing of Terrorism Act 2009* and renewal of the



*Criteria (Special Indicators) for Detection of Suspicious Cases or the Cases Creating Sufficient Grounds for Such Suspicious Concerning Criminally Obtained Funds or Other Property or Financing of Terrorism ('red flags')* Order 2011 affected in increasing the quality and quantity of the of STRs sent for examination. In 2011 7 STRs, in 2012 10, in 2013 64 and in 2014 41 STRs were sent to law-enforcement agencies.

In 2011 the FMS developed with the support from UNODC a new and improved analytical and reporting IT system called "goAML". The "goAML" became functional in July 2012. This system has data transmission, processing, destination search, statistical reports, tactical and strategic analysis capabilities, work flow management, visual imagery, as well as an analysis module settings functions. Every year representatives of the user states of the system attend the annual meeting and training programmes. In 2014 the FMS received 167 reports concerning transactions operated by PEPs on the basis of that legislation. In accordance with Article 193-1 of the Criminal Code of the Republic of Azerbaijan, criminal liability for the legalization of criminally obtained funds or other property is not related to specific criminal offence. Moreover, in case of committing of legalization acts within Azerbaijan's jurisdiction those acts can be classified by article 193-1, regardless of whether criminal proceedings have been initiated or whether predicate crime had been committed out of the border of the Republic of Azerbaijan in any other country.

In addition, Article 193-1 of the Criminal Code does not make a difference between self-laundering and legalization committed by the 3rd party. In any case, it is considered to comply with Article 193-1. In accordance with the Code of Criminal Procedure, during the investigation of all crimes the subjective aspect of the crime should be identified basing on the objective factual circumstances.

In order to achieve the correct application of mentioned issues by investigators, prosecutors and judges, FMS in joint cooperation law enforcement agencies or on own initiative carry out trainings and working meetings. On 22 May 2014 with the organisation of the Judicial-legal Council was held training by the FMS for judges on the theme on investigation of money laundering financing of terrorism.

Also on 2-3 July 2014 was held seminar jointly organized by World Bank and FMS in the framework of the project *National Money Laundering and Terrorist Financing Risk Assessment* with the participation of the representatives or FMS, Supreme Court, National Security Ministry and General Prosecutor's Office.

Co-operation in this field between FMS and ACD was developed over the last years, 12 reports relating to suspicious transactions were sent for reviewing to the ACD during 2012, 21 reports in 2013 and 31 for the 8 months of 2014. Based on this reports 10 criminal cases were launched in 2013 and 6 in 2014.

### ***Assessment of Progress***

Statistics are provided showing that the number of STRs sent to law-enforcement agencies is increasing. Meanwhile, the recommendation was to increase the number of STRs sent to prosecution services by the Financial Monitoring Service (FMS). It is stated that the FMS continues with the organization of joint trainings with law enforcement officials, but not judges. No information is provided on new draft legislation and guidelines to implement FATF Recommendation 12 or new measures to clarify the criminal liability for money laundering offences, as recommended. Therefore it can be concluded that there is **lack of progress** in this area.

### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

#### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

Improvement of the system on receiving information and analysing it according to the *Fight against Legalization of Money and other Property and Financing of Terrorism Act 2009* and renewal of the *Criteria (Special Indicators) for Detection of Suspicious Cases or the Cases Creating Sufficient Grounds for*



*Such Suspicions Concerning Criminally Obtained Funds or Other Property or Financing of Terrorism* ('red flags') Order 2011 affected in increasing the quality and quantity of the of cases sent for examination. In 2011 7 cases, in 2012 10, in 2013 64 and in 2014 43 cases were sent to law-enforcement agencies. In 2011 the FMS developed with the support from UNODC a new and improved analytical and reporting IT system called "goAML". The "goAML" became functional in July 2012. This system has data transmission, processing, destination search, statistical reports, tactical and strategic analysis capabilities, work flow management, visual imagery, as well as an analysis module settings functions. Every year representatives of the user states of the system attend the annual meeting and training programmes.

The AML/CFT Law of the Republic of Azerbaijan comprehensively regulates international PEPs as well as their family members and close associates. Hence, according to Article 9-1.1 of AML/CFT Law, the reporting entities should take measures in order to determine the customer and beneficial owner is international PEPs as well as their family members and close associates within the internal control system. Article 9-1.2 says that all business relations with international PEPs should be established and continued under the permission of top management of reporting entities. Furthermore, the reporting entities should request information about source of funds from PEPs (Article 9-1.3).

Article 7.2.3 of the AML/CFT Law sets up mechanism for making STR of each transaction with international PEPs. Moreover under the provisions of Article 9 of AML/CFT Law, enhanced CDD measures and on-going monitoring should be applied to PEPs.

In 2014 the FMS received 289 reports concerning transactions operated by PEPs on the basis of that legislation.

The legislation of the Republic of Azerbaijan does not cover domestic PEPs.

In accordance with Article 193-1 of the Criminal Code of the Republic of Azerbaijan, criminal liability for the legalization of criminally obtained funds or other property is not related to specific criminal offence. Moreover, in case of committing of legalization acts within Azerbaijan's jurisdiction those acts can be classified by article 193-1, regardless of whether criminal proceedings have been initiated or whether predicate crime had been committed out of the border of the Republic of Azerbaijan in any other country.

In addition, Article 193-1 of the Criminal Code does not make a difference between self-laundering and legalization committed by the 3rd party. In any case, it is considered to comply with Article 193-1. In accordance with the Code of Criminal Procedure, during the investigation of all crimes the subjective aspect of the crime should be identified basing on the objective factual circumstances.

In order to achieve the correct application of mentioned issues by investigators, prosecutors and judges, FMS in joint cooperation law enforcement agencies or on own initiative carry out trainings and working meetings.

On 22 May 2014 with the organisation of the Judicial-legal Council was held training by the FMS for judges on the theme on investigation of money laundering financing of terrorism.

Also on 2-3 July 2014 was held seminar jointly organized by World Bank and FMS in the framework of the project *National Money Laundering and Terrorist Financing Risk Assessment* with the participation of the representatives of FMS, Supreme Court, National Security Ministry and General Prosecutor's Office.

Co-operation in this field between FMS and ACD was developed over the last years, 12 reports relating to suspicious transactions were sent for reviewing to the ACD during 2012, 21 reports in 2013 and 31 for the 8 months of 2014. Based on this reports 10 criminal cases were launched in 2013 and 6 in 2014.

#### **Assessment of Progress**

**No information is provided with regard to strengthening staff or increasing other resources of the FMS or evaluating the need to further develop its IT analytical software.**

**There is partially progress on amendment to the AML law to cover international PEPs. Unfortunately**

no amendments occurred in relation to domestic PEPs. Relating to investigation of money-laundering and awareness of this offence among prosecutors and judges, Azerbaijan reports that the law encompasses all the highlighted by the report. However, there is no information on how often these provisions are applied by prosecutors and judges. In future, it could be worthwhile providing examples of jurisprudence. The meeting agreed that there is progress in implementing this recommendation.

### Pillar 3. Prevention of corruption

#### Recommendation 12:

- Develop rules and implement transparent and merit-based recruitment of senior and high level civil servants as part of the new Civil Service Code and enhancing the capacities of the Civil Service Commission to enforce it.
- Develop rules or common principles for transparent appointments to political positions.
- Ensure a more transparent, adequate and equal salary system in the public administration, comparable between administrative bodies and competitive in relation to comparable enterprises/organisations.
- Develop a network of ethics commissioners in public administration institutions.
- Compose a practical public service ethics training course offered regularly and mandatory to public officials.
- Ensure clear and comprehensive conflict of interest and ethics rules for civil servants and other public officials and a meaningful mechanism for their implementation are in place and vigorously implemented and enforced in practice.
- Ensure the necessary legal, regulatory and institutional basis to implement a system requiring public officials to submit asset declarations and to verify them is completed and implement the asset declarations system in practice without further delay.

#### 13th ACN Istanbul Action Plan Meeting on 16-18 April 2014

##### *Measures taken to implement this recommendation*

Monthly salaries of state employees determined by an ordinance of the President of 9 July 2008. In accordance with this decree between the official salaries of civil servants working in similar positions in various government agencies do not have significant difference.

In order to oversee compliance with the standards of ethical conduct established by the Law of Azerbaijan Republic " On the rules of ethical conduct for civil servants" , as well as coordination of issues related to the application of the law on the initiative of the Civil Service Commission (CSC) in 2013 was formed institute providing supervision over the rules of ethical conduct for public employees in some public bodies the rules of ethical conduct under the law , as well as carrying out the analysis in this area - Institute of ethics Commissioner .

To create opportunities for direct access to authorized information about the ethics of these individuals (name, surname, first name , position and phone number) has been posted on the official website of the CSC (<http://csc.gov.az/aze/downloads/diger/EtikMuekiller.htm>) and was also formed a network of authorized ethics . In connection with the transition to e-government system to facilitate the possibility of recourse to the authorized Ethics on the websites of state agencies were created ethical sections and was created to access them through the website of the CSC.

According to paragraph 10.1 of the National Anti-corruption Plan 2012- 2015 in order to ensure the regularity of ethics training, the Action Plan for 2012-2015 was adopted by the CSC.

September 7, 2013 by the Commission for public servants serving in the Office of the State Migration Service courses were held on the topic " Rules of Ethical Conduct ", on October 23 for the Staff of the State Committee on Statistics on "Prevention of conflicts of interest" and "Studying the legal mechanisms relating to compliance principles and rules of ethical conduct."

December 17 and 18 during the course conducted for young workers in administrative positions in the central offices of public bodies and Departments in Baku - "Rules of ethical conduct of public servants".

Were also taken appropriate measures of overseeing the implementation of the rules of ethical conduct established by the Law of Azerbaijan Republic on the "Rules of ethical conduct for civil servants" and coordination issues related to the application of the law.

The first work was done on the ethical education of persons responsible for overseeing the compliance of laws rules of ethical behaviour in every single public body, as well as carrying out the analysis on this issue - CSC ethics. Thus, on 21 October 22 for Commissioners of Government Ethics courses were held on the theme "Education for teaching".

The aim of these courses was to improve the learning abilities of Commissioners ethics operating in state bodies, enforcement of the rules of ethical conduct on the part of officials, as well as increase the participants' knowledge in the application of ethical legislation. The training was attended by 35 civil servants

16-17 December by the Commission was held a seminar on "Ethics in the Public Service" for authorized Ethics central government bodies.

Draft Law on conflict of interests had been prepared.

### ***Assessment of Progress***

#### **PROGRESS**

Several steps taken to address this recommendation. Some training for civil servants on ethics was provided. Conflict of interest and ethics rules could be clarified if the reported draft law on conflict of interests is adopted. No information if there is progress with draft Civil Service Code, where it was planned to merge various norms regarding ethics, conflict of interest and integrity. In 2013, an institute of ethics training was established, which is in charge to monitor the application of the Law on the Rules of Ethical Code for Civil Servants. Work to create a network of ethical commissioners seems to have started. No progress in implementing the assess declarations requirements.

### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

#### ***Measures taken to implement this recommendation***

Civil Service Commission (CSC) is preparing Civil Service Code and it will envisage the rules and terms for high level civil servants (3<sup>rd</sup> and 4<sup>th</sup> degree). It is also planned to adopt the law on Political Posts in the near future.

Monthly salaries of state employees determined by an ordinance of the President of 9 July 2008. In accordance with this decree between the official salaries of civil servants working in similar positions in various government agencies do not have significant difference.

In order to oversee compliance with the standards of ethical conduct established by the Law of The Republic of Azerbaijan " On the rules of ethical conduct for civil servants" , as well as coordination of issues related to the application of the law on the initiative of the Civil Service Commission (CSC) in 2013 was formed institute providing supervision over the rules of ethical conduct for public employees in

some public bodies the rules of ethical conduct under the law , as well as carrying out the analysis in this area - Institute of ethics Commissioner .

To create opportunities for direct access to authorized information about the ethics of these individuals (name, surname, first name , position and phone number) has been posted on the official website of the CSC (<http://csc.gov.az/aze/downloads/diger/EtikMuekiller.htm>) and was also formed a network of authorized ethics . In connection with the transition to e-government system to facilitate the possibility of recourse to the authorized Ethics on the websites of state agencies were created ethical sections and was created to access them through the website of the CSC.

According to paragraph 10.1 of the National Anti-Corruption Action Plan 2012- 2015 in order to ensure the regularity of ethics training, the Action Plan for 2012-2015 was adopted by the CSC. For this purpose letters were sent to central and local executive authorities in order to provide with the annual information the CSC about the ethics trainings, complaints about ethics violations and the results of disciplinary measures by 1<sup>st</sup> December of each year. The information gathered are summarized and sent to the Commission on Combating Corruption.

According to the National Anti-Corruption Action Plan 2012- 2015 it is planned to establish Training Center within CSC and for this purpose proposals were sent in December 2013 to relevant ministries for agreement, also draft law on amendment to Civil Service Act was prepared by th CSC. Amendment implies rules and aims of conducting trainings.

To improve the professional training system of the civil servants draft law on Amendments to the Charter of the CSC has been prepared and according to the amendments trainings will be hold for civil servants on ethics, fight against corruption an conflict of interests and etc.

Practice of UK, Turkey and other countries about investigation of ethics violations were studied and for the effective investigation amendments to the Law on Ethics of Civil Servants are being prepared by the CSC.

Were also taken appropriate measures of overseeing the implementation of the rules of ethical conduct established by the Law of The Republic of Azerbaijan on the "Rules of ethical conduct for civil servants" and coordination issues related to the application of the law.

### ***Assessment of Progress***

The envisaged legislation on Civil Service and on Political Posts could be positive developments in this area. If they are adopted, it would be important to assess if they meet the recommendation 12 asking to adopt rules on merit-based recruitment for senior level officials and to adopt common principles for transparent appointments to political positions.

The meeting welcomed the creation of the Institute of Ethics Commissioner in 2013 and the creation of a network of authorised ethics officials (also mentioned in April progress report).

However, at this stage **no additional progress** is made under this recommendation.

### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

#### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

The State Commission on Civil SERVICE continued its efforts to develop civil service code. According to the draft, the Civil Service Commission is entitled to announce competition and run exams for the candidates of senior and high-level.

Regarding the rules of appointment to political positions, in line with the presidential degree of 8 July 2014, special law on political positions shall be elaborated. According to this degree the commission has elaborated draft law, which will later be submitted to other state institutions for review.

According to the National Action Plan against Corruption the State Commission on Civil Service has prepared a directive on preparation and running of training courses and seminars on such issues as fight against corruption, upholding of ethical behaviour, preventing of conflict of interests and other issues. The directive was sent to all public institutions. The answers were received from state institutions and analysed, pulled into a special report. This way the Commission provides for continuity of training. The priority of the commission is that each state institution continues to run seminars and training on regular bases. Additionally it made sure that throughout the year public institutions organize big events in the specified areas.

On 20<sup>th</sup> September 2014, the State Migration Service in cooperation with civil service commission ran a training seminar dedicated to the topic of correct behaviour for civil servants. Around 80 employees of the state migration service participated in these training. Among the topics of this training were the definition of ethics, understanding of importance of ethics in civil service, prevention of corruption and conflict of interest, supervision of adherence to ethical rules and other issues.

In order to continue the efforts to train ethical instructors in civil service area, the State Civil Service Commission in cooperation with State Administration Academy, State Agency for Service to Citizens and Social Innovations, Ministry of Transport and Ministry of Economy and Industry organized a special course "Training-of-trainers" on 6-8 September 2014.

On 9-10 September 2014, the State Commission on Civil Service in cooperation with German International Cooperation Organization (GIZ) organised a special training for civil servants dedicated to the topic of 'Ethics in civil service and resolution of ethical dilemmas'. The training covers such areas as prevention of corruption, conflicts of interest, tools for ethical changes, application of ethical rules and difficulties arising during this application, tools used to overcome these difficulties. Notably, the trainers for this course were the ones trained previously at the event organized on 6-8 September 2014. These were the trainers from the State Commission on Civil Service, State Administration Academy, Ministry of Transport, Ministry of Economy and Industry, State Agency for Service to Citizens and Social Innovation. And naturally the German experts were also involved. As a result of the training, the participants received ISO certificates.

On 18 November 2014, the Commission run a special event dedicated to the issue on ethical dilemmas and the ways to resolve them in the Nizami district executive Power Office of Baku.

On November 21, 2013 the Commission has a topic of rules of ethical behaviour for civil servants in the Surakhani district Executive Power Office of Baku. Both trainings cover such important issues as ethical behaviour of civil servants, winning the public confidence, treating with respect of peoples' rights and freedoms and legal interests, as well as their dignity and honour. Also the training covered such issues as inadmissibility of receiving of privileges and concessions for civil service, as well as the limitation rules for gifts. Prevention of conflict of interests, limitation on the use of state property and information were also included in the topics covered by this training.

On 25-27 November 2014, the State Commission on Civil Service ran a wide training for the representatives of all executive power offices in districts of Baku, including the employees of Baku Executive Power Office, dedicated to the topic of rules of ethical behaviour.

On the 3 December 2014, the State Commission on Civil Service in cooperation with the State

Committee on Family, Woman And Children Problems run training dedicated to the topic of ethics in the civil service. The training started with a presentation on the regulatory framework of ethical behaviour for civil servants. Then it continued with the presentation of possible dilemmas and way to overcome them, as well as description of procedures to be followed in the case of facing such problems. In the course of the training of the civil servants were presented with specific cases and they made efforts to resolve these problems in groups.

Concerning the measures on introducing clear and comprehensive conflict of interest and ethics rules for civil servants, the Commission continued its efforts in accordance with the state action plan on fight against corruption. In addition to the law on ethical behaviour of civil servants, State institutions developed the internal normative acts to describe the ways of implementation of this law.

#### ***Assessment of Progress***

**Azerbaijan reported steps taken by the Civil Service Commission (CSC), namely guidelines developed on providing training and several training courses it has actually provided on ethics issues, in particular, for migration officials, in administrations present in Baku city and in a region. "Training-of-trainers" held in September 2014 is another positive development, showing efforts to invest in long-term development of ethics training capacity in the civil service. As a result there are now trainers in the CSC and several other public institutions and they have already been used as trainers.**

**However, no progress is reported on a number of other points of the recommendation: civil service code is still a draft; no rules for appointment to political positions are adopted; no steps are taken concerning asset declarations.**

**Kazakhstan highlighted progress in the area of recruitment in the public service in Azerbaijan, active work in automatisisation of public service provision, as well as anti-corruption education and information events.**

**The plenary concludes that there is little progress regarding this recommendation.**

#### **Recommendation 13:**

**Expand efforts to simplify administrative procedures and render more transparent and efficient delivery of public services towards conduct of business in Azerbaijan and in the most corruption-prone sectors.**

#### **13th ACN Istanbul Action Plan Meeting on 16-18 April 2014**

#### ***Measures taken to implement this recommendation***

New services have been added to the ASAN service centres at the Presidential Decree of 11 February 2014. If up to now the ASAN service centres provided 25 legal services, at the president's instruction, the scope of these services has expanded even more. In accordance with President Ilham Aliyev's decree signed on 11 February 2014, the centres of ASAN service will perform the following services:

- primary and re-state registration of ownership of the apartment and the issuance of statements and technical certificates;

- re - state registration of ownership of individual houses and issuance of statements and technical

certificates;

- acceptance of conscripts and reservist citizens on the military registration and removal from military registry in cases of registration or removal from a residence;
- acceptance of documents for the issue of an apostille for documents provided for use abroad.

The decree of the Azerbaijani president also expanded the scope of electronic services. Thus, the ASAN payment, a system provided at the decree, as an electronic service, will promote the implementation of non-cash payments, as well as online payment of all administrative penalties, and funds that must be paid by the court decision. System ASAN payment will enable citizens to be informed of his fining and enjoy certain benefits in an immediate payment of the fine. The ASAN payment will enable to pay administrative fines applied by all public authorities. The implementation of institutional and practical measures to create this system has already launched.

The population included in the scope of activities of ASAN service is up to 3,500 million people, representing nearly 37 percent of the population. Since the beginning up to the present day, more than 1, 100 million people applied for various services of the ASAN service centres. In particular, in areas not covered by the centres, using buses, equipped with special technical means, about 60,000 citizens were provided with mobile services. Simultaneously, from 1 February, mobile services were applied so that citizens, according to their desires, without going to the centres, use the services anywhere.

#### **Assessment of Progress**

##### **PROGRESS**

Expanding the services provided by the ASAN centers in February 2014 is an effort that can be welcomed. However, it is not possible to assess at this stage how relevant it is for business sector and service delivery in corruption-prone sectors.

#### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

##### ***Measures taken to implement this recommendation***

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#### ***Assessment of Progress***

The Presidential Decree of 11 February 2014 expanding the services of ASAN centres was already described in April 2014 and this development received a positive assessment. **No additional progress** reported in October 2014.

#### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

##### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

ASAN service centers offer more than **240 services by 9 state entities and number of functional subsidiary services by private companies:**

Ministry of Justice, Ministry of Taxes, Ministry of Internal Affairs, State Committee on Property Issues, State Customs Committee, State Migration Service, State Service for Mobilization and Conscription, State Social Protection Fund, National Archive Department of the Republic of Azerbaijan

1. Birth registration;
2. Death registration;
3. Marriage registration;
4. Registration of divorce;
5. Registration of child adoption;
6. Registration of determination of paternity;
7. Registration of changes to the given name, patronymic and family name;
8. Issuance of certificates (renewed certificates) on state registration of civil status;
9. Notary service;
10. Issuance and renewal of identity cards;
11. Issuance and renewal of passport of citizen;
12. Renewal of driving licenses;
13. Reference note about the conviction;
14. Extracts of registration of property rights over the living houses (apartments)
15. Reference note of state registration about restriction (encumbrance) of rights over the real estate;
16. Issuance of certificates from state register about the description of the real estate;
17. Issuance of extracts about initial registration of property rights on apartments
18. Registration of commercial legal persons and tax payers;
19. Archive references to legal and physical persons;
20. Receipt of customs declaration and documents for customs clearance;
21. Granting temporary residence permission to foreigners and stateless persons in the Republic of



Azerbaijan;

22. Granting permanent residence permission (immigrant status) to foreigners and stateless persons in the Republic of Azerbaijan
23. Granting work permit to carry out paid labor activity in the territory of the Republic of Azerbaijan to foreigners and stateless persons
24. Reference note on information about land cadaster;
25. Determining occupational pensions;
26. Providing information on all services rendered by the state entities.
27. Issuance of extracts and technical passports of initial and repeated registration of ownership rights on apartments.
28. Issuance of extracts, technical passports of repeated registration of ownership rights on private houses.
29. Military registration and removal of military registration of conscripts and citizens with military duty in cases of the registration and removal of registration of residence.

#### **“Functional subsidiary services”**

Given the success of the ASAN service offering public services and the positive image it gained for the last years a lot of private companies are being attracted to be represented at ASAN service centers.

- Bank services
- Insurance services
- Legal subsidiary services
- Services for translating all kinds of documents into/from state language from/to different languages
- Medical services
- Services rendered via official internet information resources
- Services rendered via special terminal installed at the centers
- AZERIGAZ customer services
- AZERSU customer services
- AZERENERGY customer services
- NAR mobile services
- Bakcell services
- Azercell services
- Central Bank services
- Centralized ticket sale kiosks

“ASAN Imza” enables citizens to get an easy access to the electronic public services. It is easily handled by all groups of ages and simple to use by all type of mobile phones. You can use the “ASAN Imza” without any card-reader. It does not recognize boundaries and could be used both in and out of the country. Actually, “ASAN Imza” matches the principle of ASAN service the most – easiness!

#### **Assessment of Progress**

**While Azerbaijan provided extensive information on ASAN Service centres, it is difficult to assess what is new in the provided information in comparison to what has already been made available in April and October 2014 and how it demonstrates progress in implementing this specific recommendation. Moreover, the recommendation is broader and also called on expanding efforts to simplify administrative procedures and render more transparent and efficient delivery of public services towards conduct of business in Azerbaijan and in the most corruption-prone sectors. As a result, the meeting concluded that there is lack of progress regarding this recommendation.**

#### Previous Recommendation 3.4.

- Provide long-term capacity building and training in the field of corruption and fraud detection to the auditors of CoA.
- Introduce anti-fraud and anti-corruption audits in the activity portfolio of the CoA, as well as strict performance-based audits, especially in line ministries facing high corruption risk.
- Ensure that the CoA develops detailed yearly statistics on the number and types of audits carried out, the source of audit (how it was initiated), and the outcomes and impact of those audits on the decisions taken by the Parliament.
- Consider introducing ex-ante control of budget execution by the CoA.
- Ensure that regularly published information on public accounts and budget includes clear explanations on discrepancies.
- Consider introducing a requirement to the PFCS to review agencies not according to the periodical plan (e.g. each agency to be reviewed not more than once every 2 years), but on the basis of risk-prone financial misconduct.
- Enhance the power of the IA units in order to allow them to proactively launch anti-fraud and anti-corruption audits, especially in government spending entities, and not only on the basis of a received complaint or suspicious information.
- Assess the usefulness and the effectiveness of the IA units and propose further improvements; to this end, ensure that all IA unit in different entities should submit yearly statistics on the number of audits carried out, the types of audits, the source of audit (how it was initiated), and the outcomes and impact of those audits (fines, lawsuits, dismissal, financial and organisational reforms done on the basis of audit results, etc.).
- Organize joint trainings including personnel from Internal Audit and ACD on how to submit material to law enforcement bodies.

#### 13th ACN Istanbul Action Plan Meeting on 16-18 April 2014

##### *Measures taken to implement this recommendation*

Recently, by the service of the State Financial Control Service of the Ministry of Finance of the Republic of Azerbaijan had performed a number of legal and methodological reforms in ensuring state financial oversight. In these activities, by the order of the Ministry of Finance of Azerbaijan Republic "Rules planning, conducting and recording the results of supervisory activities by the State Financial Control Service of the Ministry of Finance of Azerbaijan Republic", a number of regulations and methodological books, including for use in the preparation of work plans of the State Financial Control, "Guidelines for risk assessment in order to conduct surveillance activities by the State Financial control Service of the Ministry of organizations funded by the state budget " which provides as methodical , guide and guidance document for the risk assessment activities in controlled facilities .

Within the twinning project *Support Service of the State Financial Control in improving public financial control of Azerbaijan* ended in April of 2013 has been studied best European experience , as well as according to the standards of the International auditing (ISA) has been applied a number of innovations in the conduct of the activities of supervisory measures , including the abolition of the rules of periodicity in conducting oversight inspections in facilities oversight audit missions oriented risks. Also, the drawing up of plans of work life and its regional units, in accordance with the results of risk assessments were reflected in these regulations.

Domestic financial control in the Azerbaijan Republic is implemented by the State Financial Control of the Ministry of Finance of the Republic of Azerbaijan.

In some specialized state bodies there are structural units implementing internal financial control or the

person responsible for supervision of efficient management.

According to the recommendations given in the framework of twinning project in the service of the State Financial Control of the Ministry of Finance was established and began its activity sector of Preliminary Financial Control.

According to the National Action Plan on Open Government it is envisaged from the current year for the granting of a broader and comprehensive information from the Service concerning the State Financial Control conducted surveillance activities and their results.

Validation Services of the State Financial Control of the Ministry of Finance of the Republic of Azerbaijan are regularly engaged in trainings on various topics in the scientific and educational center of the Ministry of Finance, including the presentation of results on the topics of financial oversight activities and inputs for transmission to the prosecuting authorities in the case of discovery of the facts of corruption or other criminal character.

However, joint training with the participation of representatives of the Office for Combating Corruption under the General Prosecutor of the Republic of Azerbaijan was conducted.

### ***Assessment of Progress***

#### **PROGRESS**

There seems to be **some progress** in organizing joint trainings including personnel from Internal Audit and ACD.

### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

#### ***Measures taken to implement this recommendation***

According to the National Anti-corruption Action Plan 2012-2015 Draft Law on Amendment to the Law on Internal Audit has been prepared and sent to relevant ministries.

To improve the capacity and effectiveness of internal audits according to the Action Plan of the Chamber of Audits for 2014-2016 from 7 April to 7 May and was held training where several agencies and private companies had been represented. Next training took place on 1 September.

Chamber of Accounts employees took part at the following training:

- international Conference on Fight against Corruption: international standards and national experiences on the 30 June – 1 July;
- 27/03/2014 Bucharest, EU training within ENP;
- 14-16/05/2014 – EUROSAI Audit of Emergence Funds;
- 05-07/06/2014 – EUROSAI 1 Target Group session
- 02-07/06/2014 – Conference organized by the Turkish Chamber of Accounts
- 15-19/06/2014 – IX EUROSAI Congress
- 18/06/2014 – EU Funded ENP framework, Joint Programme for Black Sea Countries;
- 28/07 – 02/08/2014 – Joint Training by the IMF and Austrian Institute Means of Fiscal sustainability
- 31/09-10/09/2014 – Study Tour to the UK Chamber of Accounts

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However joint training with the participation of representatives of the Office for Combating Corruption under the General Prosecutor of the Republic of Azerbaijan was conducted.

On the 28<sup>th</sup> March 2014, the Chamber of Accounts established Ad Hoc Group to deal with installation of the automated system of Accounting Reports for Budgetary Organizations. This system secures adherence to accounting rules according to the international standards, install automatic process. The system was elaborated as a joint project of the World Bank and Ministry of Finances.

### ***Assessment of Progress***

As previously, joint trainings of personnel from Internal Audit and ACD were reported. No **additional progress** relevant to recommendations was reported.

### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

#### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

Chamber of Accounts, PFCS and internal audit units, have conducted a review of its training capacities in the light of the IAP recommendations in the first quarter of 2014. During this period, the experts reviewing the training capacity of the CoA, PFCS and internal audit units held several consultations with the State Commission on Civil Service and the Anticorruption Directorate with the Prosecutor General of the Republic of Azerbaijan. The new education and training efforts include a new approach, which combines theoretical and practical training. According to the understanding reached between between the Chambers, Service and Directorate, the CoA, PFCS and internal audit units officers will be trained

with the participation of the ACD prosecutors and investigators regarding the elements of corruption and economic offences. The ACD prosecutors and investigators will also elaborate an analytical summary of shortcomings and problems encountered during investigation of materials submitted by the CoA and other corruption detection units, such as internal audits of ministries, and present their findings. Also, the ACD officers will elaborate study cases, based on the investigation and prosecution of materials submitted to it by the Chamber or Service or other state institution, in order to use it as education tool.

Anti-fraud and anti-corruption audits have been included in the activity portfolio of the CoA and PFCS, through internal regulations in both institutions.

As recommended, the CoA maintains yearly statistics on the number and types of audits carried out, the source of audit, and the outcomes. However, CoA found it difficult to develop criteria to find out and demonstrate (!!!) the impact of its audits on the decisions taken by the Parliament. **It therefore seeks guidance on the ways to implement this recommendation.**

The ACD collected the charters and thorough information on the powers of the IA units in all central executive authorities with a purpose of review of their ability to proactively launch anti-fraud and anti-corruption audits, especially in government spending entities. As a result of this review and following consultations, the appropriate recommendations will be issues.

In order to improve the system of supervision up on Treasury, the Treasury Administration Information System was set up in the Ministry of Finance. This system has been specially designed to digitalise the documentation related to the Bank transactions, reporting on the spending of budgetary resources, and other movement of financial resources within the budgetary spending in real time. Within the system with budgetary organisations can exchange information with the Ministry of finance. The project is under development and foresees the introduction of many Progressive tools. Using this mechanism the ministry of finance managed to install a system of online monitoring over budgetary spending, incomes, as well as transactions run by budgetary organizations using the budgetary accounts.

In order to reduce paper-based reporting and registration, the Ministry of finance invested substantial resources into for the development of its Internet portal. Within the first quarter of the year 2015 please feel finance is planning to complete installment of the new system which provides for online submission off all spending reports.

Also the Ministry of finance introduced a system whereby all periodic reports and implementation of budget I was submitted electronically via its website.

#### ***Assessment of Progress***

**A number of positive steps on audit are reported by Azerbaijan. An assessment of training by Chamber of Accounts, PFCS and internal audit units was done. Were reviewed training capacities and, as a result, a new approach to training is developed, with focus on corruption, more practical training, involving ACD prosecutors and investigators.**

**It is also reported that anti-fraud and anti-corruption audits have been included in activity portfolio of the CoA and PFCS, through internal regulations in both institutions. The plenary encourages implementing these new audits in practice too.**

**This recommendation also calls for an assessment of internal audit units. In this regard it is reported that the ACD is looking into powers of internal audit units and their capacities to proactively uncover corruption.**

**The plenary concludes that progress is made under this recommendation.**

#### **Recommendation 14:**

- Improve the monitoring of the public procurement process and ensure effective and independent complaints mechanism.
- Streamline the role and the rights of the State Procurement Agency, in the areas of control, monitoring, collection and publication of information on public procurement and e-procurement.
- Ensure procurement and investments are timely and in a transparent manner planned by state and local institutions and increase transparency in this regards; ensure that state and local institutions develop comprehensive, annual procurement plans and define the information on public procurement they need to mandatory provide to the State Procurement Agency and publish.
- Ensure methodological materials, standard documents and templates related to public procurement are adopted by Cabinet of Ministers decisions, or that the State Procuring Agency itself receives the right to issue corresponding, mandatory regulations as a matter of routine, and enforce them in practice.

#### 13th ACN Istanbul Action Plan Meeting on 16-18 April 2014

*Measures taken to implement this recommendation:*

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*Assessment of Progress*

**NO PROGRESS**

#### 14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014

*Measures taken to implement this recommendation*

Improvement of the monitoring in public procurement are foreseen in the National Anti-Corruption Action Plan for 2012-2015. According to that Draft law on Amendments to Public Procurement Act which includes improvement of the monitoring in public procurement process was sent for reviewing to Presidential Administration on 21.02.2014 and to the Cabinet of Ministers on 12.03.2014.

To increase the role of the State Procurement Agency in the monitoring and e-procurement draft law on Amendments to Public Procurement Act as mentioned was sent to relevant authorities. Also draft guidelines of Unreliable Suppliers (Contractors) Register which includes improvement of the monitoring and e-procurement was sent for reviewing to Ministry of Justice on 30.05.2014.

At the website of State Procurement Agency [www.tender.gov.az](http://www.tender.gov.az) has a section of *e-services* where all services and documents needed for this are displayed. Applications and all other documents regarding the applications, also complaints of Suppliers (Contractors) can be uploaded at the site. All applicants are informed about their applications. There is also section named *Contracts register* where Ads about the tenders held by procurement organizations is displayed.

The letter was sent on 16.12.2013 to the ministries and other agencies for providing the State Procurement Agency with necessary information about procurements which is planned to hold in 2014. This information is displayed at the website of SPA.

Methodological materials, standard documents and templates related to public procurement are adopted according to the legislation on the legal acts and it is compliant with the above mentioned recommendation.

### **Assessment of Progress**

The draft law with amendments to the Public Procurement Act reflect possible positive developments. There is also intention to create Unreliable Suppliers (Contractors) Register. These developments can be monitored in the future. **No substantive progress** can be recorder at this stage.

### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

#### **Measures taken to implement this recommendation (to be provided by national coordinator)**

According to the National Anti-Corruption Action Plan for 2012-2015, The State Agency on Public Procurement continued measures to improve monitoring in public procurement. The Cabinet of Ministers received the proposals and comments on the Draft law on Amendments to Public Procurement Act, which includes improvement of the monitoring in public procurement process. The formulation of the draft law containing all the proposals is expected in the first quarter of 2015.

#### **Assessment of Progress**

**Information is provided only regarding one part of the recommendation, which requires improving the monitoring of the public procurement process. Besides, the information is general that measures are taken by the State Agency on Public Procurement to monitor public procurement and that further improvements are envisaged in a new public procurement regulation expected in first quarter of 2015. The meeting concluded that there is no tangible progress made under this recommendation.**

### **Recommendation 15:**

- **Establish, under the authority of the Ombudsman, a working group involving non-governmental organisations and media, for monitoring, on a permanent basis, of the implementation of the Law on Access to Information. Conduct and publish periodical surveys to identify deficiencies in the Law or its improper implementation.**
- **Provide the Ombudsman with necessary resources in order to effectively perform its functions in the area of access to information.**
- **Organize a nation-wide awareness rising campaign aimed at dissemination of information on the right of access to information among different social groups.**
- **Take appropriate measures to decriminalise defamation and insult; introduce mechanisms avoiding improper use of civil law instruments for restricting activity of media.**

13th ACN Istanbul Action Plan Meeting on 16-18 April 2014

#### **Measures taken to implement this recommendation:**

Over the past period by the Ombudsman held a series of consultations to discuss the responsibilities emanating from the requirements of the Law on "Access to information," as well as the prospects for their performance with the authorized state bodies, non-governmental organizations and media representatives. During these consultations were discussed ombudsman powers to oversee the requirements of the Law and the cooperation of government agencies, NGOs and the media and were also encouraged to join efforts aimed at the fulfillment of the National Action Plan on Open Government.

Government representatives according to the requirements of the Law of Azerbaijan Republic on "Access to Information" noted the creation of links of their press services with government agencies and the media, as well as the general public, also highlighted the importance of improving information structures, including electronic resources public authorities holding information. Information was provided on the work to ensure reliable operation of sites, their updates according to the State Program



"Electronic Azerbaijan" , placing new and relevant information about easy and fast access to information of a public nature , facilitate use of the website on the work done in this direction is of public authorities and review of information requests.

It was noted that all of the information received from government agencies have been analyzed and summarized.

Also noted the importance of the study and exchange of international experience in the field of access to information.

The monitoring showed that, along with gaining experience in the relevant field activities carried out in connection with this issue reflected in the Annual Report of the Ombudsman.

In order to comply with the relevant provisions of the Constitutional Act on the Ombudsman, as well as approving and funding staff units to create new structural units in the unit in connection with the execution of delegated powers Ombudsman of Azerbaijan appealed to the Cabinet of Ministers and the Ministry of Finance of the Republic of Azerbaijan.

Presidential Order of 27 December 2011 approved the National Action Program on improvement of the efficiency in the protection of human rights and freedoms.

The National Action Programme provided significant responsibilities in the implementation of educational activities to clarify the legislation of the Azerbaijan Republic on the information received and effective enforcement of the right to information.

For the last period the relevant government authorities in the implementation of the provisions contained in the National Action Programme conducted complex arrangements and worked closely with civil society in this direction.

In order to promote and discuss the most effective performance of the various items on the National Action Plan were held joint conferences, workshops and seminars.

At the same time, to promote the study and application of state of the National Action Plan , in each area of country public hearings were held with the participation of local authorities , law enforcement agencies, NGOs, the media and district election commissions.

In order to discuss the duties arising out of the National Action Plan on Open Government was held a round table with the participation of international organizations, experts, as well as local NGOs.

#### ***Assessment of Progress***

#### **NO PROGRESS**

Information provided is not relevant or sufficient to assess the implementation of this recommendation.

#### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

#### ***Measures taken to implement this recommendation***

Over the past period by the Ombudsman held a series of consultations to discuss the responsibilities emanating from the requirements of the Law on "Access to information", as well as the prospects for their performance with the authorized state bodies, non-governmental organizations and media representatives. During these consultations were discussed ombudsman powers to oversee the requirements of the Law and the cooperation of government agencies, NGOs and the media and were also encouraged to join efforts aimed at the fulfillment of the National Action Plan on Open Government 2012-2015.

Government representatives according to the requirements of the Law of The Republic of Azerbaijan on "Access to information" noted the creation of links of their press services with government agencies and the media, as well as the general public, also highlighted the importance of improving information structures, including electronic resources public authorities holding information. Information was provided on the work to ensure reliable operation of sites, their updates according to



the State Program "Electronic Azerbaijan", placing new and relevant information about easy and fast access to information of a public nature , facilitate use of the website on the work done in this direction is of public authorities and review of information requests .

It was noted that all of the information received from government agencies have been analyzed and summarized.

Also noted the importance of the study and exchange of international experience in the field of access to information. The monitoring showed that, along with gaining experience in the relevant field activities carried out in connection with this issue reflected in the Annual Report of the Ombudsman.

In order to comply with the relevant provisions of the Constitutional Act on the Ombudsman, as well as approving and funding staff units to create new structural units in the unit in connection with the execution of delegated powers Ombudsman of Azerbaijan appealed to the Cabinet of Ministers and the Ministry of Finance of the Republic of Azerbaijan. Also improvement of the structure of Ombudsman is foreseen according to the National Action Plan on Open Government 2012-2015.

Presidential Order of 27 December 2011 approved the National Action Program on improvement of the efficiency in the protection of human rights and freedoms.

The National Action Programme provided significant responsibilities in the implementation of educational activities to clarify the legislation of the Republic of Azerbaijan on the information received and effective enforcement of the right to information.

For the last period the relevant government authorities in the implementation of the provisions contained in the National Action Programme conducted complex arrangements and worked closely with civil society in this direction.

In order to promote and discuss the most effective performance of the various items on the National Action Plan were held joint conferences, workshops and seminars.

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In order to discuss the duties arising out of the National Action Plan on Open Government was held a round table with the participation of international organizations, experts, as well as local NGOs.

#### ***Assessment of Progress***

No new information was provided. **NO PROGRESS.**

#### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

##### ***Measures taken to implement this recommendation (to be provided by national coordinator)***

In line with the recommendation of Istanbul action plan, the anticorruption directorate conducted survey of access to information in major central executive authorities. The majority of ministries, including Ministry of finance, Ministry of health, Ministry of education and others have designated persons and units in charge of providing information to requesting citizens and organisations. In line with the requirements of electronic Azerbaijan project, the rules of filing requests for information as well as procedure requirements have been reflected on the website of the ministries. Ombudsman, which is in charge of coordination of access to information issues, works in close contact with the designated persons and units. According to the results of the survey, the ministries and other agencies of central executive authority are expected to compile the first statistics on the semi-annual basis in summer 2015.

#### ***Assessment of Progress***

**The ACD has conducted an assessment of institutional capacity in the area of access to information what to some extent covers aspects of this recommendation as regards to the monitoring on a**

**permanent basis of the implementation of the Law on Access to Information. However, altogether there is no tangible progress in implementing this recommendation.**

**Recommendation 16:**

- **Amend the legislation to ensure that financial reports of political parties are published simultaneously on the official website of the authority responsible for their collection and in the official printed media and enforce this.**
- **Ensure substantial and independent monitoring of election campaign funding and monitoring of political parties financing by an independent authority, with adequate staff, material resources and powers to investigate and impose sanctions.**
- **Ensure clear conflict of interest prevention and ethical behaviour rules for elected and other political officials, promote their vigorous application and enforce them.**

**14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

***Assessment of Progress***

During the meeting and after it Azerbaijan informed about amendments to the Law of the Republic of Azerbaijan on “Political parties” which were passed by the Parliament on 30 September 2014. The basis amendments introduce the following novelties:

- definition of membership fees is provided by law;
- the upper limit of donation is prescribed by law (the limit of 10000 manat was defined as the upper limit); and
- collection of financial reports is transferred from the Ministry of Finance to the Central Election Commission (CEC). The CEC is empowered with extra authority to request additional instruments and information about activity of political parties. CEC is bound to publish annual financial reports of political parties.

Thus some progress is made in ensuring more substantial and independent monitoring of election campaign funding and political parties financing by an independent authority. However, the practical application of these requirements will need to be assessed in the future.

The plenary meeting agreed that **there is progress** in implementing this recommendation.

**15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015**

***Measures taken to implement this recommendation (to be provided by national coordinator)***

According to the amendments to the Law on Political Parties the supervision over the financing of political parties and of election campaigns were reassigned exclusively to the CEC. It is thus the CEC which receives the financial statements. The new centralised competence of the CEC is to facilitate overall coordination and the monitoring of campaign financing (including all income and expenditure) more effective since the CEC have information on the general state of the parties’ financial activities. In addition, the CEC has the power to request from political parties any additional information and documentation on their financial activities.

***Assessment of Progress***

**Information is provided by Azerbaijan in relation to monitoring of political parties financing by the**

**CEC, but it was already reflected in previous progress update and was taken into account in assessing progress under this recommendation. No new information is provided this time as regards this or other aspects of this recommendation. Hence, there is no progress made under this recommendation.**

**Recommendation 17:**

- Prepare and adopt the proposals on limiting the scope of immunity of judges from criminal prosecution in the context of combating corruption.
- Take any appropriate measures, such as internal regulations, guidelines, operational methodologies for the anticorruption investigators and prosecutors and use the special investigation means allowed by the legislation in order to detect and investigate corruption allegations in the judicial sector.

**13th ACN Istanbul Action Plan Meeting on April 2014**

*Measures taken to implement this recommendation:*

Draft Laws on limiting the scope of immunity of judges from criminal prosecution in the context of combating corruption had been prepared by the ACD and sent for reviewing to the relevant Ministries.

*Assessment of Progress*

**NO PROGRESS.**

**14th ACN Istanbul Action Plan Meeting on 8-10 October 2014**

*Measures taken to implement this recommendation*

*Assessment of Progress*

**NO PROGRESS.**

**15th ACN Istanbul Action Plan Meeting on March, 2015**

*Measures taken to implement this recommendation*

*Assessment of Progress*

**NO PROGRESS.**

**Recommendation 18:**

- Ensure that objective and transparent criteria apply for the selection and appointment of the Supreme Court and appellate court judges to avoid potential undue political interference.
- Conduct an analysis on the internal causes of the perception of corruption and lack of independence of the judiciary and carry out a risk assessment and identify the needs for an anticorruption policy within the judicial system. Ensure, for that purpose, the co-operation of the Judicial Legal Council with the Commission on Combating Corruption, Anti-Corruption Department, and other relevant state institutions, as well as with representatives of the relevant civil society organizations.
- Develop systematic training on ethical conduct and anticorruption standards for judges, paying special attention to the methodology of the training activities. Topics like conflicts of interests, incompatibilities, requirement of financial disclosure, reactions to gifts, reporting corruption, etc. should be included in the training of judges.

<ul style="list-style-type: none"> <li>Develop further the capacity of the Judicial Legal Council to consider, as a disciplinary body, allegations of misconduct of judges that can denote lack of integrity (such as interventions to other judge in relation with the decision in a case, infringement of the rules on incompatibilities of the judge's position with commercial or political activity etc.).</li> </ul>
<b>13th ACN Istanbul Action Plan Meeting on April 2014</b>
<i>Measures taken to implement this recommendation</i>
<b>Assessment of Progress</b> <b>NO PROGRESS.</b>
<b>14th ACN Istanbul Action Plan Meeting on 8-10 October 2014</b>
<i>Measures taken to implement this recommendation</i>
<b>Assessment of Progress</b> <b>NO PROGRESS.</b>

<b>15th ACN Istanbul Action Plan Meeting on March, 2015</b>
<i>Measures taken to implement this recommendation</i>
The Justice Academy has developed curricula and plan for systematic training on ethical conduct and anticorruption standards for judges, which include topics like conflicts of interests, incompatibilities, requirement of financial disclosure, reactions to gifts, reporting corruption, etc. should be included in the training of judges
<i>Assessment of Progress</i> <b>No new information on tangible progress in addressing the recommendation since the monitoring report was provided. During the plenary meeting Azerbaijan informed the experts about amendments in the law regulating the appointment of judges that apparently increased the role of the Judicial Legal Council and the involvement of the association of judges. However, more information is needed in order to assess the effectiveness of these measures, namely with regard to the objectivity and transparency of the selection and appointment criteria for high level judges and if these measures contribute to improve the perception of lack of independence of the judiciary. No new information on implementation of other parts of the recommendation was provided. In sum, there is lack of progress under this recommendation. Hence, there is only minor progress. This matter will deserve more thorough analysis during the next monitoring round.</b>

**Previous Recommendation 3.9. :**

<b>Develop and launch awareness raising programmes about risks of corruption and solutions for private sector.</b> <b>Together with private sector organisations, promote the development self-regulation within the private sector (code of conduct, anti-corruption compliance policies).</b>
<b>13th ACN Istanbul Action Plan Meeting, April 2014</b>
<i>Measures taken to implement this recommendation:</i>
<b>Assessment of Progress</b> <b>NO PROGRESS</b>
<b>14th ACN Istanbul Action Plan Meeting on 8-10 October 2014</b>

<b><i>Measures taken to implement this recommendation:</i></b>
<b>Assessment of Progress</b> <b>NO PROGRESS</b>
<b>15<sup>th</sup> ACN Istanbul Action Plan Meeting on March, 2015</b>
<p><b><i>Measures taken to implement this recommendation</i></b></p> <p>The Ministry of Economic Development continued efforts to raise public awareness in private sector among entrepreneurs. It widely used interactive methods and new innovative teaching methodologies based on the curricula drawn as a result of analysis of information collected by its units in the process of work with private sector in the regions and in capital. In line with the teaching program at the Ministry held a number of training is in the fourth quarter of year 2014. The trainings were held in seven regional capitals and Capital Baku period the trainings were contacted in the format of roundtables, conferences and seminars and covered such issues as using electronic services avoid personal contact, Learning the procedures and methods of application to state institutions, Making most of tools and mechanisms established in order to foster transparency, prevention of corruption and other issues.</p> <p>As the major agent of the state in dealing with business sector, the Ministry of Economy and Industry continued its efforts in Increasing transparency in the course of issuing concessive credits to entrepreneurs by running number of events in the fourth quarter of year 2014. The appropriate unit of Ministry organised events to explain to businessmen the rules of the application, Procedure, functions and powers of designated bodies. Overall 10 events were organised into regions and two events were organised in the capital. 1150 businessmen were trained with the participation of 12 trainers. Also the Ministry paid great attention to explaining the private sector actors the rules of examination of the activity by state institutions. That's in October 8-9, 2014 the Ministry organised in the city of Shaky conference dedicated to the topic of regulation of examinations of entrepreneurs and means of protection of their legal interests. On 13 October a regional conference was organised in the other part of the country in Jalilabad. On the 19 December the conference was organized in Shabran and on the 17 November in the city of Mingachevir.</p>
<p><b><i>Assessment of Progress</i></b></p> <p><b>Information is provided that different events have been organised by the Ministry of Economy and apparently covered prevention of corruption. However, more details are needed to assess if and how this work has allowed implementing the specific recommendation. The meeting concluded that there is lack of progress in this area.</b></p>

## PART II: OTHER MAJOR ANTI-CORRUPTION DEVELOPMENTS

<b>13th ACN Istanbul Action Plan Meeting, April 2014</b>
<p>On September 30 President of Azerbaijan Ilham Aliyev has attended the opening of the new administrative building of Anti-Corruption Directorate with the Prosecutor General. The President of Azerbaijan met with the staff of the Anti-Corruption Directorate and congratulating the ceremony participants he said that he had repeatedly expressed his thoughts on the fight against corruption and that all of the work in this area should be carried out at the highest level in Azerbaijan. Also he noted that the fight against corruption is a priority issue and he is confident that even greater success will be achieved in this area in the coming years, this problem should be completely eradicated.</p>

New services have been added to the ASAN service centres at the Presidential Decree of 11 February 2014. Up to now the ASAN service centres provided 25 legal services, at the president's instruction, the scope of these services has expanded even more. In accordance with President Ilham Aliyev's decree signed on 11 February 2014, the centres of ASAN service will perform the following services:

- primary and re-state registration of ownership of the apartment and the issuance of statements and technical certificates;

- re - state registration of ownership of individual houses and issuance of statements and technical certificates;

- acceptance of conscripts and reservist citizens on the military registration and removal from military registry in cases of registration or removal from a residence;

- acceptance of documents for the issue of an apostille for documents provided for use abroad.

The decree of the Azerbaijani president also expanded the scope of electronic services. Thus, the ASAN payment, a system provided at the decree, as an electronic service, will promote the implementation of non-cash payments, as well as online payment of all administrative penalties, and funds that must be paid by the court decision. System ASAN payment will enable citizens to be informed of his fining and enjoy certain benefits in an immediate payment of the fine. The ASAN payment will enable to pay administrative fines applied by all public authorities. The implementation of institutional and practical measures to create this system has already launched.

The population included in the scope of activities of ASAN service is up to 3,500 million people, representing nearly 37 percent of the population. Since the beginning up to the present day, more than 1, 100 million people applied for various services of the ASAN service centres. In particular, in areas not covered by the centres, using buses, equipped with special technical means, about 60,000 citizens were provided with mobile services. Simultaneously, from 1 February, mobile services were applied so that citizens, according to their desires, without going to the centres, use the services anywhere.

On February 13, President of Azerbaijan Ilham Aliyev has signed an Order on creation of Electronic Court Information System. The move is aimed at ensuring transparency in justice system, increasing the effectiveness of the protection of human rights and freedoms, and speeding up the application of advanced technologies.

On March 17, President of Azerbaijan Ilham Aliyev has signed a law on amendments to the Law On Prosecutor's Office and Law on Service at the Prosecutor's Office. In connection with the adopted amendments the Anti-Corruption Department will be the Directorate. Through the Prosecutor General it will inform the President and the Anti-Corruption Commission on its activities. The ACD will be headed by chief with the rank of deputy prosecutor general. Deputies of the Directorate's chief are increased in the administrative classification up to the level of heads of Directorates of the General Prosecutor's Office.

***Additional documents provided during the plenary meeting on 16-18 April 2014:***

- the Monitoring Report on implementation of Azerbaijan of Open Government Initiative National Action Plan 2012-2015;
- Report on Monitoring of the National Anti-Corruption Action Plan for 2011-2015;

- Draft Law on Plea Bargaining.

### **14<sup>th</sup> ACN Istanbul Action Plan Meeting on 8-10 October 2014**

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amendments the Anti-Corruption Department changed to the Directorate. Through the Prosecutor General it will inform the President and the Anti-Corruption Commission on its activities. The ACD is headed by Director with the rank of Deputy Prosecutor General. Deputies of the Directorate's chief are increased in the administrative classification up to the level of heads of Departments of the General Prosecutor's Office.

On 30 June – 1 July 2014 was held the International Conference on “Fight against corruption: international standards and national experiences” in Baku. More than 130 high-ranking representatives of law enforcement agencies and independent anti-corruption agencies of the member states of the Council of Europe and respected international organizations and more than 100 employees of the Presidential Administration, the Parliament, the Cabinet of Ministers, the Anti-Corruption Commission, central executive authorities, the General Prosecutor's Office as well as the country's other law enforcement agencies, higher education institutions, representatives of non-governmental organizations and international organizations in Azerbaijan attended the conference being held with the participation of the Council of Europe's Group of States against Corruption (GRECO) and International Anti-Corruption Academy (IACA) by the Azerbaijani government and the Council of Europe related to the chairmanship of Azerbaijan to the Council of Europe Committee of Ministers.

Through three plenary sessions on the implementation of anti-corruption laws, rendering corruption prevention more effective, and law enforcement measures, delegates had the chance to hear about the national challenges and success stories of countries such as Croatia, France, Lichtenstein, Lithuania, Malaysia, SAR Hong Kong (PRC), and the United Kingdom. Key figures from the Council of Europe, OECD, International Association of Anti-Corruption Authorities (IAACA), International Association of Prosecutors (IAP), UNODC, and International Anti-Corruption Academy (IACA) spoke of global mechanisms and the lessons learned so far.

Also, the third session of the Assembly of Parties of the International Anti-Corruption Academy (IACA) is scheduled to take place in Baku from 19 to 21 November of 2014. The representation at the Assembly will be Ministerial and high-ranking.

#### **15<sup>th</sup> ACN Istanbul Action Plan Meeting on 23-24 March 2015**

The third session of IACA's Assembly of Parties, hosted by Azerbaijan, came to a fruitful close today with the unanimous adoption of four resolutions and the Baku Declaration.

The annual forum brought together 130 delegates from 43 countries, including Deputy Heads of State and Ministers, as well as the European Union and Council of Europe Group of States against Corruption.

The plenary on Wednesday opened with a letter from H.E. Ilham Aliyev, President of Azerbaijan, delivered by H.E. Fuad Aleskerov, Chief of the Law Enforcement Department of the Presidential Administration. The welcome addresses of Martin Kreutner, Dean and Executive Secretary of IACA, Zakir Garalov, Prosecutor General of Azerbaijan, and H.E. Panthep Klanarongran, President of the Bureau of the second session of the Assembly, followed suit.

The Chairperson of the Board of Governors, H.E. Margarita Popova, extended her warm welcome as well and presented the Board's report on the progress of IACA's activities over the past year.

Zakir Garalov, Azerbaijan (EEG) was elected for the Presidency of this session, H.E. Senator Datuk Paul Low Seng Kuan, Malaysia (Asia-Pacific Group) and H.E. Veysi Kaynak, Turkey (WEOG) for the Vice Presidencies, and H.E. Armin Ernesto Andereya Latorre, Chile (GRULAC) and Olusola Akinrinade, Nigeria



(African Group) for the Rapporteurs.

Budgetary issues were a key element of deliberations and the call for financial ownership was echoed by the Executive Secretary, Chairperson of the Board of Governors, and a number of state officials.

Member States reaffirmed their commitment to IACA's mandate, commended its achievements, and pledged to facilitate the implementation of the Work Programme 2014 – 2016, unanimously adopted in Bangkok last year. The budget for 2015 also found the consensus of the room.

During the high-level segment, the delegates of Azerbaijan and Nigeria announced contributions to IACA's general budget in the amount of 150,000 EUR and 150,000 USD, respectively. Romania and the Russian Federation vowed to continue providing annual contributions to the general budget, while other States Parties offered support in the delivery of Master programme modules and tailor-made trainings.

The session was complemented by Azerbaijan's traditional hospitality as well as side events at the country's ASAN Service and the Anti-Corruption Directorate.

The next session of the Assembly of Parties is scheduled for the fourth quarter of 2015.