



ACN
Anti-Corruption Network for Eastern Europe and Central Asia
Anti-Corruption Division
Directorate for Financial and Enterprise Affairs
Organisation for Economic Co-operation and Development (OECD)
2, rue André-Pascal, 75775 Paris Cedex 16, France
Phone: +33 (0)1 45 24 13 19, Fax: +33 (0)1 44 30 63 07
E-mail: anti-corruption.contact@oecd.org
Website: www.oecd.org/corruption/acn

ISTANBUL ANTI-CORRUPTION ACTION PLAN

FOURTH ROUND OF MONITORING

AZERBAIJAN

PROGRESS UPDATE

This document contains the progress update and assessment of implementation of recommendations from the Fourth Round of Monitoring of the Istanbul Anti-Corruption Action Plan for Azerbaijan. This Progress Update was adopted at the ACN Plenary meeting on 13 September, 2017.

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BACKGROUND

About the OECD

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the world. Find out more at www.oecd.org.

About the Anti-Corruption Network for Eastern Europe and Central Asia

Established in 1998, the main objective of the Anti-Corruption Network for Eastern Europe and Central Asia (ACN) is to support its member countries in their efforts to prevent and fight corruption. It provides a regional forum for the promotion of anti-corruption activities, the exchange of information, elaboration of best practices and donor co-ordination via regional meetings and seminars, peer-learning programmes and thematic projects. ACN also serves as the home for the Istanbul Anti-Corruption Action Plan. Find out more at www.oecd.org/corruption/acn/.

About the Istanbul Anti-Corruption Action Plan

The Istanbul Anti-Corruption Action Plan is a sub-regional peer-review programme launched in 2003 in the framework of the ACN. It supports anti-corruption reforms in Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Ukraine and Uzbekistan through country reviews and continuous monitoring of participating countries' implementation of recommendations to assist in the implementation of the UN Convention against Corruption (UNCAC) and other international standards and best practice. Find out more at www.oecd.org/corruption/acn/istanbulactionplan/.

PROGRESS UPDATE METHODOLOGY SUMMARY

After the adoption of the Monitoring Report, the evaluated country presents a Progress Update at each subsequent ACN Plenary meeting.

The **Progress Update** begins with a description of the methodology, followed by the summary of the assessment of implementation of recommendations, as agreed during the Plenary Meeting of September 2016. It then goes into each recommendation separately, providing the country report, as well as the ACN and expert evaluation. Each recommendation section includes all progress updates since the last monitoring report.

The Progress Update follows the following steps:

1. Progress Update reports are prepared by country representatives

These documents include information on implementation measures taken for each recommendation, and may also cover additional anti-corruption developments. Country representatives submit a written Progress Update report to the ACN Secretariat through appointed National Co-ordinators, together with supporting documents, such as laws and statistical data. Civil society also submits alternative reports on progress.

2. Preparation of preliminary assessment by ACN Secretariat and experts

The Secretariat and the experts who contributed to the Monitoring Reports (or delegates replacing the experts) study the Progress Update reports and prepare a draft progress assessment for the Plenary Meeting. Civil society is also invited to contribute to the evaluation.

3. Discussion at ACN Plenary meeting

ACN Secretariat and experts discuss the Progress Update during a bilateral preparatory meeting with country representatives. The Plenary then discusses and endorses the assessment.

4. Finalisation of Progress Update

Following the Plenary Meeting, the Secretariat adds the final assessment to the Progress Update reports, finalises and publishes them on the ACN website.

PROGRESS UPDATE SUMMARY

18th Istanbul Anti-Corruption Action Plan Monitoring Meeting 12-13 September 2017: Assessment of the Progress Update of Azerbaijan was prepared by the following experts: Anca Jurma, Romania; Aziza Umarova, UNDP; Dirk Plutz, EBRD; Mihaylo Milovanovitch, independent expert; and Tanya Khavanska, OECD/ACN Secretariat. The evaluation is based on the Government's Progress Update; there were no submissions from Azerbaijan NGOs.

Recommendation	Assessment of Progress		
	18th Meeting September 2017		
Recommendation 1	Significant Progress		
Recommendation 2	Progress		
Recommendation 3	Significant Progress		
Recommendation 4	Lack of Progress		
Recommendation 5	Progress		
Recommendation 6	Progress		
Recommendation 7	Lack of Progress		
Recommendation 8	No rating		
Recommendation 9	Lack of Progress		
Recommendation 10	No rating		
Recommendation 11	Lack of Progress		
Recommendation 12	Significant Progress		
Recommendation 13	Progress		
Recommendation 14	Significant Progress		
Recommendation 15	Lack of Progress		
Recommendation 16	Progress		
Recommendation 17	Lack of Progress		
Recommendation 18	Progress		
Recommendation 19	Progress		
Recommendation 20	Progress		
Recommendation 21	Progress		
Recommendation 22	Progress		
Recommendation 23	Significant Progress		
Recommendation 24	Progress		
Recommendation 25	Progress		
Recommendation 26	Significant Progress		
Recommendation 27	Progress		
Recommendation 28	Significant Progress		
Recommendation 29	Lack of Progress		
Recommendation 30	Significant Progress		
Recommendation 31	Lack of Progress		

Note:

Significant progress- important practical measures were taken by the country to adequately address many elements of the recommendation (more than a half). This can involve the adoption and/or enforcement of an important law.

Progress - some practical measures were taken towards the implementation of the recommendation. For example, drafts of laws that have been at least approved by the government and submitted to the parliament would constitute "progress" for the assessment of Progress Updates.

Lack of progress - no such actions were taken.

Recommendations, that appear to be fully addressed can be closed for the progress update procedure and further evaluated only as a part of the monitoring procedure.

PROGRESS UPDATES BY RECOMMENDATION

CHAPTER 1: ANTI-CORRUPTION POLICY

Recommendation 1: Anti-corruption Policy document

- 1. Develop comprehensive evidence-based anti-corruption policies, with clear objectives.**
- 2. Plan and allocate budget for full implementation of anti-corruption policy.**
- 3. Promote the development of internal action plans based on risk assessments. Publish sectoral plans and implementation reports.**
- 4. Regularly monitor progress and evaluate impact of the anti-corruption policy implementation, including at the sector level, involving civil society.**
- 5. Ensure meaningful and open participation of civil society in anti-corruption policy development, implementation and monitoring.**

18th Monitoring Meeting, September 2017

Government report

1. Azerbaijan's recent anti-corruption policy document, namely National Action Plan for 2016-2018 on Promotion of Open Government was adopted with 27th April 2016 dated Presidential Decree. This policy document was prepared on the basis of carried out researches by independent civil-society organizations, interim-reports of the implementation of anti-corruption policy documents, reports of state bodies and international partners. The Commission on Combating Corruption plans to initiate drafting process of new anti-corruption policy document in early 2018. For this purposes, the CCC will use any available researches and data in order to draft comprehensive evidence-based anti-corruption policy document with clear objectives.
2. It is important to note that, since the first anti-corruption policy document (2004-2006) none of measures envisaged in policy documents were left out because of budgetary constraints. It is planned to include specific budget for each measure in upcoming anti-corruption policy documents.
3. The CCC has organized two meetings with the focal points from state bodies which stated as responsible organizations in anti-corruption policy document during 2017. In each meeting, focal points were encouraged to develop internal action plans not only based on anti-corruption policy document adopted by the Presidential Decree, but also carried out independent self-risk assessments. Each state body has submitted its internal action plan which is based on anti-corruption policy document. In order to develop this process, the CCC plans to carry out sectorial risk assessments and submit findings to relevant state bodies for the purpose of developing more comprehensive action plans.
4. The CCC, within the CoE/EU Eastern Partnership Programmatic Co-operation Framework (PCF) project "Strengthening capacities to fight and prevent corruption in Azerbaijan" has developed "Electronic Monitoring System" which allows state bodies (i) to send reports based on each measure envisaged in action plan with relevant data, image and videos; (ii) to publish news and events related anti-corruption and OGP issues; (iii) to send messages to focal points of other state bodies and CCC. Furthermore, new system allows CCC (i) to monitor progress of

each specific measure; (ii) to monitor progress of each state body; (iii) to review activeness of state bodies based on publishing of news and events by state bodies; (iv) to send collective and individual reminders and messages. It is important to note that, this system is the first time applied in the region by Azerbaijan. In order to evaluate impact of carried out measures, CCC will commission relevant survey companies and NGOs to carry out independent research and surveys on the impact of implemented measures.

5. Current Action Plan was developed in a consultative process involving civil society, representatives of international organisations and other key stakeholders. Draft Action Plan and information about the process were posted on the web-page of the CCC. Several public discussions were held within the framework of the Working Group of the CCC on Improving Legislation. All meetings were open and radio transmission was organized. Independent assessment of draft action plan was carried out by Council of Europe experts within the EU funded project. Another novelty of above-mentioned electronic monitoring system is that, the CCC is planning to give access to OGP Platform in order to carry out joint monitoring. Furthermore, Constitution Research Foundation, national branch of the Transparency International and several other NGOs are also involved in implementation of measures envisaged in Action Plan (2016-2018). Such as Azerbaijan Internet Forum and Multimedia Center with the support of the CCC has produced a methodical guideline on “Publishing information by state bodies” according to measure 2.2 envisaged in the current Action Plan. Furthermore, TI-Azerbaijan recently published impact evaluation on the results of measure 8.6 (Implementing measures on the application of governing principles applied in “ASAN service” centers and transparency standards in state bodies) envisaged in Action Plan (2016-2018). According to Action Plan, on 9th September 2016 “Open Government Partnership Dialogue Platform” was established to strengthen the cooperation, communication and partnership among state bodies and civil society organizations and to contribute further expansion of OGP principles/values in Azerbaijan. Memorandum was signed by participating parties which defined the functions and objectives of the Platform and its charter was adopted. 10 state bodies, including Anti-Corruption Commission and Ministry of Justice, whose activity specifically relates to civil society organizations, Parliament and 31 NGOs established the platform. The event was attended by representatives of international organizations. The platform is open to any civil society organization. Charter of Platform and list of member organizations and state bodies are available in the website of platform. OGP Platform carried out several meetings and presentations in 5 different regions of Azerbaijan with the purpose of expanding its activities and engages regional organizations with participation of state bodies and media. Based on the findings of meetings, OGP Platform submitted package of proposals on improving enabling environment for civil society organizations to the Government for consideration. Proposals of the Platform were taken into account by respective state bodies and were reflected in legal acts. Throughout the work of OGP Platform, concerns regarding registration of 17 member organizations (NGOs) and registration of respective documents of these organizations have been eliminated. Grant agreements which signed between foreign donors and numerous NGOs have been registered and in this regard the respective notification has been delivered to them, which enables NGOs to access the resources and continue their activities in a more efficient manner. Furthermore, the Council on State Support to NGOs already supported 10 projects aiming at assisting implementation of OGP National Action Plan.

Assessment of Progress

From provided information it appears that some steps have been made towards implementation of the majority of the elements of this recommendation which amounts to Significant Progress.

Nevertheless, Azerbaijan also reported many plans that it was going to undertake and it will be important that they are being implemented in order for progress to be further recorded.

Significant Progress

Recommendation 2: Anti-corruption awareness raising and education

- 1. Allocate resources for implementation of the measures of the Action Plan on awareness and reflect the budget it in the future Action Plan.**
- 2. Implement awareness raising activities adapted for each target group.**
- 3. Target awareness raising activities to the sectors most prone to corruption.**
- 4. Define outcome indicators and measure the results of awareness raising activities to plan the next cycle of awareness rising.**

18th Monitoring Meeting, September 2017

Government report

The CCC in cooperation with the Council of Europe organized two trainings for trainers on anti-corruption and ethics for the group of civil servants, academics, non-governmental organizations and independent experts. The trainees will become part of the pool of national trainers selected by the Commission on Combatting Corruption with an aim to increase the capacities of Azerbaijani government to organize future trainings on anti-corruption in the public sector for the civil service, education sector and civil society. During this event the future trainers benefited from exercises on pedagogical methods and key topics on anti-corruption prevention and enforcement measures through a series of theoretical and practical exercises.

Furthermore they learned how these prevention and enforcement measures are related to the completion of the National Action Plan on Promotion of Open Government for 2016-2018. The first pilot training was held in Guba region. 25 people from different state bodies were given training by tot participants.

During the first half of 2017, the CCC has organized and delivered awareness-raising programs for university students in cooperation with Azerbaijan Anti-Corruption Academy and European Law Students' Association.

Furthermore, in order to deliver trainings and awareness-raising programs in more systemic way, CCC plans to draft new internal action plan on training and awareness raising program for the year of 2017-2018 in order to give trainings and deliver awareness-raising programs for different target groups including students.

Assessment of Progress

Some limited steps have been taken by the government in this regard that can be considered progress; in particular steps have been taken to raise awareness among students and to prepare potential trainers for next awareness raising activities. The other elements of the recommendation have not been reported on.

Progress

Recommendation 3: Anti-corruption policy coordination institution

- 1. Improve performance of the CCC by enhancing the statutory functions, capacity, skills, performance and visibility of the Secretariat; enhance its accountability, transparency and visibility.**
- 2. Consider revising the mandate and the composition of CCC to include open government issues.**

18th Monitoring Meeting, September 2017

Government report

1. Statute of CCC was amended with the Law dated April 14, 2017 and the CCC was given power to participate in formation of state policy, to coordinate work of state bodies and monitor the progress of state programs in the field of anti-money laundering and counter-terrorism financing. Furthermore, the CCC was given power to assess the implementation level of legislation, receive reports of law enforcement and state bodies and prepare suggestions in order to eliminate deficiencies in the field of AML/CFT. Furthermore, CCC has hired new staff and established new working group on AML/CFT. In case of need for drafting legislation and other purposes, civil servants from relevant state bodies are involved to the work of Secretariat. Secretariat of CCC regularly attends meetings of civil society organizations and participates at reporting conferences of ACD.
2. Executive Secretary of the CCC is recently appointed as the focal point for Open Government Partnership. The CCC is currently coordinating the work of state bodies in the field of OGP issues and reporting to OGP on the carried-out activities. As open government issues were related with transparency and anti-corruption mandate of the CCC, currently there is no need of change to mandate of the CCC.

Assessment of Progress

According to the information provided by the Government of Azerbaijan, functions of the CCC have been expanded, additional staff was hired. CCC also now has access to the external expertise. Other steps in regard to improving capacity skills of CCC staff or its performance have not been reported. Visibility, accountability and transparency issues in part are addressed by the reported measures of CCC being involved in ACD outreach and other conferences. It also appears that the second element of this recommendation was addressed.

Significant Progress

CHAPTER 2: PREVENTION OF CORRUPTION

Recommendation 4: Integrity in the civil service

(valid from the Third Monitoring Round)

- 1. 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.**
- 2. Develop rules or common principles for transparent appointments to political positions.**
- 3. Ensure a more transparent, adequate and equal salary system in the public administration, comparable between administrative bodies and competitive in relation to comparable enterprises/organizations.**
- 4. Develop a network of ethics commissioners in public administration institutions.**
- 5. Compose a practical public service ethics training course offered regularly and mandatory to public officials.**
- 6. 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.**
- 7. 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.**

18th Monitoring Meeting, September 2017

Government report

1. In accordance with the amendments to the legislation dated 31 May 2017, recruitment to administrative positions of the civil service in the first category of state bodies – Apparatus of Ali Majlis (Parliament) of the Nakhchivan Autonomous Republic, Prosecutor General’s Office, Judicial Legal Council, Chamber of Accounts, and Ombudsman is based on competition. At the same time, the legislation has been amended and recruitment to the first-seventh class of administrative positions in the first-fifth category state bodies is applied competition, interview or internal interview based on the decision of the head of the state agency.
2. The draft Law “On political positions” has been prepared in accordance with the Section 2.4 of the Presidential Decree No. 206 dated July 8, 2014. That draft law envisages general principles of holding political positions, status of persons holding political positions and other relevant issues.
3. Amount of salaries of civil servants in the Republic of Azerbaijan has been determined by the Presidential Decree No. 2934 dated July 9, 2008, and with the aim of strengthening of social protection of civil servants salaries of civil servants have been increased in December 2013. Equal and adequate salary system for civil servants serving in the same positions in the same classification in state agencies of the same category has been established.
4. In each state agency persons responsible for ethical issues – ethics commissioners have been determined. Ethics commissioners ensure ethical conduct in state agency, give opinions and interpretation on ethical conduct rules, assess violation of ethical behavioral rules and conflict

of interests, study the necessity and organize relevant trainings, summarize the practice. In order to ensure more effective examination of complaints of citizens on ethical conduct issues, contact details of ethics commissioners is published at the website of the State Examination Center (<http://dqm.gov.az/aze/downloads/diger/EtikMuvекiller.htm>). The Center regularly organizes trainings for ethics commissioners in order to increase their capacity and ensure environment for public discussion on ethical conduct rules.

5. In accordance with the Article 2.1.35 of the Charter of the State Examination Center of the Republic of Azerbaijan approved by the Decree of the President of the Republic of Azerbaijan dated April 11, 2016, main tasks of the Center also include implementation of awareness raising measures relevant to civil service and ethical conduct of civil servants. In the first half of 2017, the following awareness raising measures were implemented by the Center:

On February 28, 2017, a seminar on “Protection of whistleblowers” was held. The seminar was conducted by the State Examination Center in the framework of the project of “Capacity building in prevention and combating corruption in Azerbaijan” in cooperation with the Council of Europe / European Union Eastern Partnership Programme. The event was attended by civil servants holding offices at Apparatus of Ombudsman, Chamber of Accounts, Supreme Attestation Commission under the President of the Republic of Azerbaijan and central executive power bodies.

On April 17-19, 2017, training for trainers “On ethics issues for civil servants” was held. The training was organized jointly by the State Examination Center and the Commission on Combatting Corruption in the framework of the project of “Capacity building in prevention and combating corruption in Azerbaijan” in cooperation with the Council of Europe / European Union Eastern Partnership Programme. Topics such as “Goals and terminology”, “Introduction and history: ethics and good governance”, “Policy on combating corruption and awareness raising”, “International examples and policy of the Republic of Azerbaijan”, “Management of anti-corruption and integrity”, “Strategy of the Commission on Combating Corruption on public administration organizations” and others were covered.

On June 29, 2017, a training on “Ethical conduct in civil service” jointly organized by the Commission on Combating Corruption and the State Examination Center was held in Guba region. Representatives of local branches of the Ministries of Labor and Social Protection of Population, Energy, Agriculture, Finance, Youth and Sports, Education, Ecology and Natural Resources, the State Statistics Committee, State Committee on Property Issues, local executive authorities, NGOs, universities attended the training.

Moreover, along with the State Examination Center each state agency periodically organizes trainings on ethics conduct rules for its own staff.

6. In accordance with the Law “On ethical conduct rules for civil servants” dated May 31, 2017, the State Examination Center executes supervision over compliance with the ethical conduct standards. In accordance with the Articles 2.1.30-2.1.35 of the Statue of the State Examination Center tasks of the Center in the field of supervision over the compliance with the ethical conduct standards include the following: receives, examines and summarizes complaints and information on violation of the provisions of the Code of Ethics of Civil Servants, issues recommendations and reports on this issue, forwards materials to the relevant authorities for further examination if grounds on violations are established, submits motions to relevant state bodies and public officials for elimination of violations of requirements of legislation on ethical conduct by civil servants, reports to the President of the Republic of Azerbaijan on this, implements awareness raising measures on civil service and ethical conduct of civil servants. Moreover, establishment of Sector on Ethical Issues within the Center is envisaged for strengthening the effectiveness of awareness-raising activities, improvement of mechanisms for the effective examination of applications on violations of ethical conduct standards.

7. The “Rules for submission of financial information by public officials” approved by the Law No. 945-IIQ dated June 24, 2005, defines forms of submitting financial information, public officials required to submit financial information, bodies collecting this information and the rules for verification of this information. In accordance with Article 4 of the same Law, the Cabinet of Ministers shall adopt form of the Declaration. Article 8.2 of the National Action Plan for the Promotion of the Open Government for 2016-2018, approved by the Decree of the President dated April 27, 2016, envisages implementation of relevant measures in this regard.

Assessment of Progress

From the provided information, it appears that no progress was made to implement Recommendation 4. Azerbaijan has not provided new information in regards to the first four elements of the recommendation, as well as element 6 and 7. Reported activities and legislation predate the adoption of the 4th round monitoring report. In regards to remaining element 5 of the recommendation, while trainings have been organised for civil servants they are of ad hoc nature and are not in line with the spirit of recommendation which calls for development and implementation of the comprehensive mandatory course.

Lack of Progress

Recommendation 5: Institutional framework for civil service, asset declarations, ethics commissioners

1. **Ensure continuity of functions of the abolished CSC to maintain institutional set up for unified civil service state policy.**
2. **Develop without further delay the necessary form for asset declaration to ensure implementation of asset declarations in practice.**
3. **Consider establishing full time staffing positions for independent ethics commissioners with reporting obligation to the civil service oversight body.**

18th Monitoring Meeting, September 2017

Government report

1. Most of the functions of the abolished the Civil Service Commission under the President of the Republic of Azerbaijan in the field of civil service were transferred to the State Examination Center of the Republic of Azerbaijan. In accordance with the amendments to the legislation dated August 9, 2016, the Center participates in formulation of civil service policy and is responsible for management of civil service in the country.
2. The “Rules for submission of financial information by public officials” approved by the Law No. 945-IIQ dated June 24, 2005, defines forms of submitting financial information, public officials required to submit financial information, bodies collecting this information and the rules for verification of this information. In accordance with Article 4 of the same Law, the Cabinet of Ministers shall adopt form of the Declaration. Article 8.2 of the National Action Plan for the Promotion of the Open Government for 2016-2018, approved by the Decree of the President dated April 27, 2016, envisages implementation of relevant measures in this regard.
3. Currently establishment of full time staffing positions for independent ethics commissioners with reporting obligation to the State Examination Center is under consideration taking into

account financial resources.

Assessment of Progress

According to the provided information, steps have been taken towards implementation of two elements of the Recommendation 5 (first and third), while second element of the recommendation which relates to putting asset declarations into practice remains to be unaddressed.

Progress

Recommendation 6: Integrity of public political officials

- 1. Adopt without delay the legislation ensuring legal separation of political and professional public service.**
- 2. Adopt without delay the Code of Conduct for MPs.**
- 3. Provide training and guidance on ethics and conflict of interests.**
- 4. Ensure strong monitoring, enforcement and sanction mechanisms and enforce the rules in practice.**

18th Monitoring Meeting, September 2017

Government report

1. Article 14 of the Law “On civil service” establishes the legal status of the civil servant and distinguishes it from persons holding political office. In accordance with the Article 10.4 of the law that law does not apply to public political officials, status of which is defined by other legislative acts. In this regard, the draft law on “Political positions” has been prepared and its adoption is planned.
2. In June 30, 2017, the draft Law “On rules of ethical conduct of the Members of the Milli Majlis” has been discussed in sessions of the Parliament, and it has been approved in the third reading. In accordance with the Articles 97 and 110 of the Constitution the Law was signed by the President on June 30, 2017. On August 7, 2017, the President signed a Decree on application of this law.
3. Books, methodological guidance and training modules on ethical behavior have been developed by the State Examination Center. The training module on ethical conduct in civil service includes workbook for trainers, training programs for half a day, one and two days for civil servants, presentation on rules of ethical conduct and practical exercises. A book titled “Ethics in civil service” was prepared and published. The book includes ethical concepts, the importance of ethical conduct in civil service, ethical dilemmas that civil servants may encounter, the principles set out in the legislation, ethical behavioral rules, ethics commissioners, acceptance of gifts and other topics. The book was disseminated to all central and local executive, as well as judicial authorities. An online training course on “Ethics and prevention of corruption civil service” was developed to better conduct ethical behavior and anti-corruption awareness and cover more civil servants. The online training course covers theoretical information, video and animation, tests. Training course includes following modules: “General concepts”, “Ethics dilemma concept and groups. Ethical dilemmas and solutions. Cases of corruption violations and their solutions”, “Ensuring compliance with ethical conduct in public authorities and tools for enhancing ethical culture. Methods and tools for

combating corruption”, “Legislation on ethical conduct in civil service and on combatting corruption. Control mechanisms for ethical conduct and combatting corruption” and “Summary of lessons learned from the course”. The aim of the online training course is to teach theoretical and practical aspects of ethical conduct and anti-corruption issues, to improve and systematize existing knowledge in this area, and to involve a larger audience in training through the use of the information technologies.

4. In accordance with the newly adopted Law “On rules of ethical conduct of the Members of the Milli Majlis” Disciplinary Commission of the Parliament shall supervise enforcement of ethics conduct standards by MPs.

Assessment of Progress

According to information provided by Azerbaijan authorities some steps have been taken towards implementation of several elements of the recommendation. In particular, Code of Conduct for MPs has been adopted and Disciplinary Commission of the Parliament was designated as body which will supervise enforcement of MPs ethical conduct. Two elements of the recommendation (1 and 3) appear to remain unaddressed. Legislation has not been changed and training and methodological guidance provided by the State Examination Centre relate to civil servants, not MPs.

Progress

Recommendation 7: Civil society participation in the Judicial-Legal Council

Amend the JLC Act so that representatives of civil society and academia may participate in the JLC as full members or, at a minimum, have a right to observe JLC meeting sessions.

18th Monitoring Meeting, September 2017

Government report

According to the Law “On the Judicial-Legal Council” cooperation with non-governmental organizations, academia and media has been identified as one of the rights of the Judicial-Legal Council (Article 12). All meetings of the Council are attended by the Public Union (Association) of Judges of Specialized Courts of the Republic of Azerbaijan, the Public Union (Association) of Judges of Courts of General Jurisdiction the Azerbaijan Republic and other non-governmental organizations.

Assessment of Progress

No new actions have been reported by Azerbaijan authorities towards implementation of Recommendation 7.

Lack of Progress

Recommendation 8: Judicial appointments

Ensure that objective and transparent criteria apply to judicial appointments to the Supreme Court and Court of Appeal to avoid undue political interference.

18th Monitoring Meeting, September 2017

Government report

According to the Law “On Judicial-Legal Council”, submission of proposals to the relevant executive authority of the Republic of Azerbaijan on changing place of employment and promotion of all judges have been referred as an exclusive competence of the Council.

According to the Article 109 of the Constitution of the Republic of Azerbaijan, the President of the Republic submits to the Milli Majlis (Parliament) a motion on appointment of the judges of Supreme and Appeal courts, and appoints other judges.

Apparently, proposal of the President is dependent on proposal of the Council more than half of members of which are judges, so there can be no political interference in the appointment of the Supreme Court and Appeal courts judges.

According to the Article 13 of the Law “On Judicial-Legal Council” the assessment of the activities of judges is carried out. In addition to other goals established by the legislation judges' performance assessment is carried out with the purpose of their possible promoting.

Within the framework of a current co-operation project with the European Union aimed at studying and implementing international best practices, development of a methodology for assessment of judges' performance that will ensure objective and transparent criteria for appointment of judges to higher courts is envisaged.

Assessment of Progress

Information provided by Azerbaijan authorities in regards to implementation of Recommendation 8 was not sufficient for determining the rating under this Recommendation.

No rating

Recommendation 9: Appointment of Supreme Court Presidents

Amend the relevant legislation to require the Presidents of the Supreme Court and NAR Supreme Court be appointed upon the recommendation of the JLC based on objective, transparent criteria and process.

18th Monitoring Meeting, September 2017

Government report

In recent years, significant progress has been made to improve the functions and authorities of the Judicial-Legal Council as a self-governing body of the judiciary. In particular, according to the amendments to the Law “On Courts and Judges” dated October 20, 2015, the JLC has been entrusted with the authority to submit proposals for the appointment of all court presidents (excluding Presidents of the Supreme Court and Nakhchivan Autonomous Republic Supreme Court). Currently, analysis for strengthening powers of the JLC is conducted.

Assessment of Progress

No new actions have been reported by Azerbaijan authorities towards implementation of Recommendation 9.

Lack of Progress

Recommendation 10: Judicial disciplinary body

Develop further the capacity of the Judicial Legal Council to consider, as a disciplinary body, allegations of judicial misconduct that denote a lack of integrity (such as interfering with another judge's decision in a case, engaging in commercial or political activity etc.).

18th Monitoring Meeting, September 2017

Government report

In 2011, within the Judicial-Legal Council a separate Sector to review corruption-related complaints was established aimed at a thorough and efficient examination of appeals. 32 judges have been subjected to disciplinary sanctions, authorities of 6 of them have been terminated pre-term, 4 have been demoted, and 7 have been transferred to another place of job.

Assessment of Progress

Information provided by Azerbaijan authorities in regards to implementation of Recommendation 10 was not sufficient for determining the rating under this Recommendation.

No rating

Recommendation 11: Asset declarations for judges

Require judges to annually declare assets, income, liabilities and interests to the JLC, and make the declarations publicly available.

18th Monitoring Meeting, September 2017

Government report

The issue will be resolved once the financial statement declaration form and the rules for submission are submitted in connection with the implementation of the Law "On approval of the rules for the submission of financial information by public officials".

Assessment of Progress

No new actions have been reported by Azerbaijan authorities towards implementation of Recommendation 11.

Lack of Progress

Recommendation 12: Ethics training for judges

Develop systematic training on ethical conduct and anticorruption standards for judges, paying special attention to the methodology of the training activities. Training should include topics such as conflict of interests, incompatible activities, financial disclosure requirements, gift policies, and reporting of corruption.

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Regular curriculum for judges includes a special course program on ethical conduct. This program

is sent to all judges every year, and their desires to participate are taken into consideration. If in 2015, in total 41 judges participated in courses covering ethical code of conduct, in 2016, in total 60 judges (10% of all judges in the country) participated those courses.

The Academy of Justice in cooperation with other governmental and non-governmental organizations and international partners regularly organizes courses, trainings and seminars on ethical conduct and anti-corruption topics.

For example, on November 2-4, 2016 within the Programmatic Cooperation Framework project of COE/EU a training on “Governance and Organizational Development” was held. Judges of the first instance, appeal courts and the Supreme court, representatives of Prosecutor General’s Office, Judicial-Legal Council, Ministry of Justice, Bar Association and ASAN Service attended the training where issues such as governance ethics and management of justice, best practices of European Commission on judges and others were covered.

On November 18, 2016 a professional development course on topic of “National and international mechanisms in fighting corruption” was organized by the Academy of Justice. 15 judges of the first instance judges attended the course where curriculum included such topics as cooperation between the law enforcement agencies in combating corruption, legal qualification of corruption offenses, the fight against money laundering and financing terrorism, as well as ethical conduct of judges: national legislation and practice and others. Representatives of the Anti-Corruption Directorate and Financial Monitoring Service attended the course as lecturers.

On February 28, 2017, the Academy of Justice in cooperation with the Council of Europe organized a training course for judges on “Improving the effectiveness of administration in courts”. There course was attended by 21 judges that covered topics as national and international standards of ethical conduct (Code of Ethics for Judges, Bangalore Principles on Judicial Conduct) and quality of justice (assignment of cases and organization).

Moreover, the Academy of Justice within the Programmatic Cooperation Framework project of COE/EU organized a series of trainings for non-judicial staff of courts. More than 120 employees of first instance and appeal courts of Baku city and regions attended trainings held in October 2016, April and March 2017. Along with issues regarding increasing efficiency of justice, protection of human rights, standards of ethical behaviour were also covered in trainings.

In addition, in February-March 2017 the Academy of Justice within the Programmatic Cooperation Framework project of COE/EU organized a series of trainings that covered issues regarding organization of trainings, methodologies applied, performance assessment indicators and etc. Judges, representatives of Prosecutor General’s Office, Scientific-Educational Center of the Prosecutor General’s Office, Judicial-Legal Council, Ministry of Justice, Forensic Expertise Center of the Ministry of Justice, ASAN Service and other agencies attended trainings.

One year mandatory course for candidates for judges started in January 2017 at the Academy of Justice, also includes systematic trainings on deontology issues and anti-corruption standards.

The program of the course, has been developed taking into account the modern teaching methodology and international experience, and the special attention is paid to the necessary knowledge and professional training for the candidates to be judge. The course focuses on the protection of human rights, combating corruption, judicial ethics, drafting decisions, legislation updates and other relevant issues with the participation of influential international experts, and cultural programs to enhance the outlook of candidates.

Assessment of Progress

Since the adoption of the 4th round of monitoring report Azerbaijan has undertaken considerable

efforts towards implementation of the Recommendation 12, and in the short period of time since the adoption multiple trainings have been held with strong emphasis on the recommended points.

Significant progress

Recommendation 13: Electronic case assignment system

Implement an electronic case assignment system nationally and ensure that the monthly analysis of the case assignment system identifies and addresses vulnerabilities in the system.

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Currently, a random case assignment system is implemented in accordance with the “Guidelines on conduct of clerical work in the courts of the Republic of Azerbaijan”.

The Decree of the President of the Republic of Azerbaijan “On establishment of the Electronic Judicial Information System” dated February 13, 2014 envisages the automated distribution of the cases among judges.

It is noteworthy that all necessary infrastructures for implementation of the “Electronic Judicial Information System” components, including electronic case assignment have been established in the newly built court buildings and complexes, and currently that system is operational in mentioned courts. Relevant measures for introducing electronic case assignment system nationally are currently implemented, and by the end of this year, the electronic court system will cover 60% of all country courts.

Assessment of Progress

According to the provided information Azerbaijan is taking steps towards implementation of recommendation 13 and there are already courts which have the system being used in practice; once the system of electronic case assignment covers the planned 60 percent of the courts, progress will be considerable.

Progress

Recommendation 14: Transparency of judicial decisions

Ensure that all courts’ websites contain up-to-date information on hearings and judgments.

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As a result of the amendments to the Law “On Courts and Judges” dated October 28, 2016, electronic dissemination of all judgments of appeal and cassation courts was envisaged. Also together those judgments, abolished or amended judgments of lower courts should also be disseminated. Moreover, legally enforced judgments of the first instance courts are disseminated by the methods established by the legislation. The Unique Justice Portal of the Republic of Azerbaijan (www.courts.gov.az) provides a separate section for each court and necessary conditions for publishing decisions. Currently measures on fully uploading of all judgments are ongoing.

Assessment of Progress

According to the provided information most recommended information should be now publishable by law, and is now being introduced into practice. All court decisions are being uploaded now.

Significant progress

Recommendation 15: Anti-corruption policy for the judiciary

Conduct an analysis on the internal causes of the perception of corruption and lack of independence of the judiciary, carry out a risk assessment, and develop an anticorruption policy for the judiciary that encompasses greater efforts to prevent, detect and sanction corruption. This process should closely involve the Judicial-Legal Council, Commission on Combating Corruption, Anti-Corruption Department, other relevant state institutions, and relevant civil society organizations.

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Within the framework of the judicial-legal reforms relevant legal and institutional measures have been implemented to combat corruption in judiciary.

According to the new legislation, appointment of judges for indefinite terms, evaluation of their performance by the independent body - the Judicial-Legal Council, as well as disciplinary proceedings have been determined based on democratic principles. In order to prevent corruption and increase transparency reception of citizens by judges has been prohibited, and all court judgments are published.

In 2011, within the Judicial-Legal Council a separate Sector to review corruption-related complaints was established aimed at a thorough and efficient examination of appeals. 32 judges have been subjected to disciplinary sanctions, authorities of 6 of them have been terminated pre-term, 4 have been demoted, and 7 have been transferred to another place of job.

Additionally, significant changes have been made to legislation regulating judicial activities, taking into account international practice in combating corruption. With recently adopted laws, the independence of the judiciary has been further strengthened, and its self-governing powers have been expanded. The prevention of interference with the activities of judges by the law "On Judicial-Legal Council" was delegated to the competence of the Council, the role of the Council in determination of authorities of judges, termination of their authorities, and in the determination of the court budget has been expanded, as well as reducing the salaries of the judges was prohibited by law.

Joint activities with the relevant bodies on implementation of a consistent anti-corruption measures in the judiciary are being continued.

Assessment of Progress

No new actions have been reported by Azerbaijan authorities towards implementation of Recommendation 15.

Lack of Progress

Recommendation 16: Integrity in the public prosecution service

- 1. Provide safeguards in the legislation regarding the obligation of PG to report to the Parliament and to the President, so that reporting obligations do not include decisions to be taken by the prosecutors in ongoing investigations or prosecutions.**
- 2. Consider limiting the number of consecutive mandates of PG to two to preserve his/her independence, as well as of the Prosecution Office as a whole, in taking action in potentially sensitive corruption cases.**
- 3. Review, with the participation of the civil society, the recruitment process of the prosecutors, in order to ensure that the entire procedure follows the principles of transparency and uses objective and merit based criteria.**
- 4. Consider prohibiting former prosecutors from acting as a private lawyer or legal counsellor in cases which are being investigated or prosecuted by their former unit for a period of at least 2 years following the withdrawal from public service.**
- 5. Take necessary steps to make the legislation on asset disclosure operational and ensure that it is applied to prosecutors in practice.**
- 6. Continue providing training to all prosecutors on ethics and anticorruption standards that takes a practical approach and focuses on cases of concrete ethical dilemmas that prosecutors might have in their daily work.**
- 7. Develop a balanced communication policy with the relevant civil society organizations, the media and the public in order to create a discussion forum on the issues pertaining to the independence, integrity and effectiveness of the prosecutorial and judicial system and, more generally, to the effectiveness of the fight against corruption in Azerbaijan.**

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1. In order to fulfil requirements stemming from the recommendations adopted within the framework of the IV Monitoring Round the “Action Plan of the Prosecutor General’s Office of the Republic of Azerbaijan on the implementation of the recommendations of the Report on the Republic of Azerbaijan adopted under the Fourth Monitoring Round of the Istanbul Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia of the Organization for Economic Co-operation and Development (OECD)” signed by the Prosecutor General on 28 April, 2017. In accordance with that Action Plan it is envisaged to take relevant measures to request the Constitutional Court of the Republic of Azerbaijan for interpretation of the relevant provisions of the Law “On the Prosecutor's Office” that regulate reporting obligations of the Prosecutor General to the President and to the Parliament.
2. This issue was discussed at the Collegial Board of the Prosecutor General’s Office and it was decided that number of consecutive mandates of the Prosecutor General does not have any negative impacts on independence of the Prosecutor’s Office, therefore necessity of amendments to the current legislation regarding this issue has been refused.
3. Recruitment to the Prosecutor’s Office is composed of three stages (that includes test exams, written examination and oral interview stage) and is implemented in a transparent manner on competition-based system. Representatives of civil society, NGOs and academia usually participate in the first two stages of the examination. Moreover, implementation of relevant measures in the view of recommendation 16.3 is envisaged in the abovementioned Action

Plan. To be more specific, the Action Plan contains preparation of proposals for improving provisions regulating the third – oral interview phase of recruitment process by determining the criteria applied to the performance of candidates during that stage, as well as involvement of civil society representatives into the composition of the interview commission or consideration of the possibility of the participation of them.

4. Currently national legislation does not contain provisions prohibiting former prosecutors from acting as a private lawyer or legal counsellor in cases which are being investigated or prosecuted by their former unit for a certain period following their withdrawal from public service. However, the Criminal Procedure Code (CPC) of the Republic of Azerbaijan provides concept of objection to the defence lawyer, representative of victim (private prosecutor), civil claimant, civil defendant, witness, investigator, prosecutor, judge and other participants of criminal proceedings (Article 107). Suspect or accused person, public or private prosecutor, victim, civil claimant, civil defendant, their legal representatives or representatives may object to the defence lawyer, representatives of victim, private prosecutor, civil claimant, civil defendant or witness at any stage of criminal proceedings. In accordance with the Article 114.4 of the CPC if there are doubts or other concerns about the competence or conscientiousness of the person appointed as a defence lawyer or representative, he/she shall be excluded from participation in criminal proceedings based on the the motion of the defendant or the person represented.

Moreover, discussion of the mentioned issue with possibility of amending legislation and preparation of proposals is provided in the relevant Action Plan for Prosecutor General's Office.

5. The "Rules for submission of financial information by public officials" approved by the Law No. 945-IIQ dated June 24, 2005, defines forms of submitting financial information, public officials required to submit financial information, bodies collecting this information and the rules for verification of this information. In accordance with Article 4 of the same Law, the Cabinet of Ministers shall adopt form of the Declaration. Article 8.2 of the National Action Plan for the Promotion of the Open Government for 2016-2018, approved by the Decree of the President dated April 27, 2016, envisages implementation of relevant measures in this regard.
6. Standards of ethical conduct and anti-corruption are part of a one-year mandatory training offered to candidate prosecutors and of optional in-service training. In February to May 2017, the Scientific-Educational Centre of the Prosecutor General's Office organized training courses for newly recruited employees of the Prosecutor's Office. The courses were attended by 110 employees and topics such as requirements of Prosecutorial Code of Ethic Conduct, various aspects of pre-trial investigation of corruption offences, international cooperation and best practices in this field and other were covered during the courses.
7. In September 2016, Government-Civil Society Dialogue Platform on Promotion of the Open Government was established with the participation of government agencies and NGO representatives. Representatives from 9 state agencies and 31 civil society participant signed a Memorandum on establishment of the Platform. The Platform was established in the view of implementation of the National Action Plan for 2016-2018. The Anti-Corruption Directorate and Commission on Combating Corruption also participate in this platform as partners. Issues relevant to the implementation of the National Action Plan, as well as concerning increasing of transparency and integrity, promotion of open government principles and in general effectiveness of anti-corruption efforts are continuously discussed at the meetings of the Platform, following preparation of proposals, conducting studies and other activities.

Moreover, the Anti-Corruption Directorate in cooperation with the Commission on Combating

Corruption and civil society representatives quarterly organize joint press conferences where information about performance of the ACD is made public and questions of mass media are answered. Also officers of the Anti-Corruption Directorate and members of the Commission regularly attend programs of state and independent TV channels where they gave information about measures taken in the field of combating corruption in the country. Activity of the ACD usually attracts massive media coverage.

Assessment of Progress

Azerbaijan authorities reported some steps taken towards implementation of certain elements of the Recommendation 16 (in regards to elements 2, 4, 6 and 7). The remainder of the elements appear to be unaddressed.

Progress

Recommendation 17: Access to information, defamation

(valid from the Third Monitoring Round)

- 1. Establish, under the authority of the Ombudsman, a working group involving non-governmental organizations 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.**
- 2. Provide the Ombudsman with necessary resources in order to effectively perform its functions in the area of access to information.**
- 3. Organize a nation-wide awareness rising campaign aimed at dissemination of information on the right of access to information among different social groups.**
- 4. Take appropriate measures to decriminalize defamation and insult; introduce mechanisms avoiding improper use of civil law instruments for restricting activity of media.**

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- As a result of the adoption of the Constitutional Law No. 163-IVQQD dated June 24, 2011 "On Amendments to the Constitutional Law of the Republic of Azerbaijan on the Human Rights Ombudsman of the Republic of Azerbaijan", the Ombudsman has been authorized with powers to monitor implementation of the Law of the Republic of Azerbaijan "On Access to Information".
In this connection, the Ombudsman held a series of consultations and discussions with the representatives of relevant government agencies, NGOs and mass media aimed at implementation of tasks arising from the Law "On Access to Information", cooperation of government agencies, NGOs and media, as well as combining efforts to implement the "National Action Plan for the Open Government for 2012-2015" has been recommended.
It is noteworthy that since 2003, an independent Council of Experts consisting representatives of NGOs is operating with the Ombudsman. Issues such as challenges in protection of human rights, as well as challenges faced in the implementation of the Law "On Access to Information" are discussed at the meetings of that Council of Experts.
- Sections 2.1 and 2.2 of the "National Action Plan for Promotion of the Open Government for 2016-2018" approved by the Presidential Decree dated 27 April 2017, envisage improvement of structure of Apparatus of the Ombudsman, as well as measures aimed at strengthening of

the capacities of the Ombudsman in implementation of tasks arising from the requirements of the Law "On Access to Information". The Ombudsman submitted to the Cabinet of Ministers (Government) and the Ministry of Finance written requests for the approval of the number of staff for the establishment of a new structural unit within the Apparatus and financing for the execution of its powers and requirements arising from the Constitution and Constitutional Law "On Human Rights Commissioner (Ombudsman)".

3. Relevant state bodies in close cooperation with civil society have implemented comprehensive awareness-raising measures provided by the National Action Program on improvement of protection of human rights and freedoms in the Republic of Azerbaijan approved by the Presidential Decree dated December 27, 2011 to ensure more effective access to information and explanation of the legislation of the Republic of Azerbaijan on access to information.

In order to promote various aspects of the National Action Program and to discuss issues relevant to more effective implementation of the Program numerous conferences, seminars and trainings were held with relevant government agencies, lectures were delivered at schools and universities.

At the same time public hearings were held in every district of the republic with the participation of representatives of local executive authorities and law enforcement bodies, municipalities, non-governmental organizations, media representatives and District Election Commissions in order to monitor the status of promotion and implementation of the National Action Program.

At the initiative of the Ombudsman, traditionally every year on the eve of the National Human Rights Day - June 18, the "Human Rights Month" is being held in our republic from May 18 to June 18. According to the Commissioner's request, numerous events were held by government agencies, city and district executive authorities on various topics during the month, with dozens of exhibitions and essay competitions organized, covering thousands of people.

On the occasion of the 10th of December - International Human Rights Day, with the initiative of the Ombudsman, every year, traditionally, "Rights for all" - journalistic articles, "Me and my rights" - children's drawings projects, and other awareness-raising activities are held in the capital and regions.

With the initiative of the Ombudsman a round table with the participation of relevant government agencies, international organizations and experts, local NGOs was organized to discuss the objectives set forth in the "National Action Plan on Promotion of the Open Government for 2012-2015" on facilitating access to information.

Along with this, a series of awareness-raising activities have been carried out by the employees of the regional centers of the Ombudsman to explain the legislation of the Republic of Azerbaijan on access to information in the regions.

Starting from October 2016, regional public hearings have been held in the Republic of Azerbaijan, covering all cities and regions of the country in order to promote the National Action Program.

Head of the Apparatus of the Ombudsman and a group of employees participated in experience exchange program in Germany within the framework of the Twinning Programme on strengthening the Ombudsman's institutional capacity implemented with the participation of partners from Germany and Poland.

4. Protection of the rights of journalists is one of the priorities in activities of the Ombudsman. Therefore, taking into account international practice the Commissioner has proposed application of alternative sanctioning methods to mass media representatives that violated the law.

Moreover, Article 1.2.7 of the National Action Program provides elaboration of proposals on improvement of legislation to decriminalize defamation. In this regard, the Azerbaijani Press

Council has drafted a Law “On defamation” and submitted to the relevant authorities for review.

Assessment of Progress

No new actions or actions which would directly aim to implement Recommendation 17 have been reported by Azerbaijan authorities.

Lack of Progress

Recommendation 18: Transparency in the public administration

- 1. Review the legislative framework of access to information to clarify and limit the exemptions and provide for a proportionality test to grant access unless withholding the information is justified by a legitimate interest that is greater than the right to know.**
- 2. Ensure wide access to information held by public authorities by implementing a presumption of openness;**
- 3. Publishing the information on-line in open data format ensuring access to high-interest datasets.**
- 4. Effectively enforce proactive publication of information.**
- 5. Continue institutional development and expanding services under one-stop shop “Asan Service”.**
- 6. Ensure an enabling environment for investigative journalism and media reporting on corruption.**

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1. No amendments to the legislation have been adopted in this regard.
2. & 3. In 2015 www.data.gov.az portal has been established by the Ministry of Communications as a part of the E-Government portal. Through www.data.gov.az portal, citizens can find, download and use the information created by various state institutions. In accordance with current legislation open information provided is regularly updated and improved. Currently 25 information is published in the portal, namely 8 information from the Ministry of Culture and Tourism, 7 from the Ministry of Transportation, Communications and High Technologies, 4 from the Ministry of Health, 1 from the Ministry of Justice, 4 from the State Customs Committee and 1 from the “Azersu” OSC. It is planned to improve normative and technical acts, integrate to the portal open information from state and non-state authorities, stimulate and promote open information by state and non-governmental organizations and other measures.
4. In order to ensure proactive publication of information www.e-gov.az Electronic Government portal has been established. Range of electronic services incorporated to the portal is continuously enlarging. Currently, 427 services rendered by 89 agencies, including 41 state agencies are integrated to the portal. Mobile versions of the portal have been established and are operational. During the reporting period several new services have been incorporated into the E-Gov portal. For example, electronic mortgage system provided by the Azerbaijan Mortgage Foundation, electronic applications by “Azersu” OSC (water supplier), provision of electronic

references from the State Registry of Immovable Property provided by the State Committee on Property Issues, e-references on Seafarers Identity Document, "Social housing system" of the State Agency on Housing Construction, publication of initial information on the procedures and term of liquidation of a non-commercial legal entity and notification of creditors' demands and informing physical and legal persons about new rights and responsibilities arising from legal cases resulting from civil circulation provided by the Ministry of Justice and others.

5. Currently 11 "ASAN Service" Centers are operating in different regions of the country. Construction of 4 more Service Centers in regions of the country are currently ongoing and their opening will be ensured in 2017-2018. Currently 39 agencies render more than 250 public services through "ASAN Service" Centers. Novelties applied in the work of "ASAN Service" include "ASAN train" project which was launched in February 2017. Trains equipped with all necessary conditions travel to the regions of the country where currently there are not Service Centers and provide public services. In accordance with the Presidential Decree dated May 2016, "ASAN Communal" Centers have been established and these centers provide centralized management of utility services. Starting from January 2017 these Centers have been made operational and 45 services are rendered. Moreover, in accordance with the Presidential Decree dated June 9, 2016, "ASAN Index" has been created in order to evaluate performance of governmental agencies based on parameters of "ASAN Service index". In October 2016, a methodology and "Rules on evaluation of public services" has been approved and it is expected that the first report will be published in September 2017.

In accordance with the Presidential Decree dated April 28, 2017, Monitoring Center on Labor Issues of the State Agency for Public Service and Social Innovations has been established for protection of labor rights of citizens and monitoring of labor relations.

Also, in accordance with the Presidential Decree dated June 1, 2016 "ASAN Visa" system has been established and its Statute has been approved in October 2016. This system provides simplification of visa procedures for foreigners visiting Azerbaijan, and issuance of electronic visa within 3 working days. Currently measures are implemented for further simplification of the system and reducing the timeframe for issuing e-visas to 3 hours.

Assessment of Progress

Azerbaijan didn't report steps taken which would address element 1 and 6 of the recommendation. However, numerous steps have been reported in regards to implementation of the other elements of the recommendation, in particular to publication and availability of information held by the public institutions online. The number of institutions that do it has grown, along with various tools on how the information can be accessed and used by the citizens – all this contributing towards what was recommended. Similarly the "Asan services" have been further developed and expanded and concrete steps have been taken to this end.

Progress

Recommendation 19: Integrity in public procurement

- 1. Establish clear guidelines and responsibilities for the handling of procurement complaints.**
- 2. Establish clear guidelines and responsibilities for the handling of debarment.**
- 3. Introduce mandatory public reporting of all disclosable contract awards and their values per procurement agency, sector and procurement method.**
- 4. Develop an e-procurement platform and subsequently provide comprehensive training to public procurement officers in the handling of e-procurement.**
- 5. Develop and roll out regular and comprehensive training courses on all aspects of procurement for public sector procurement officers.**
- 6. Provide for civil society involvement in the monitoring of public procurement.**
- 7. Regularly update the standard tender documents and procurement guidelines to reflect the latest rules and regulations in public sector procurement.**
- 8. Ensure that the government procurement website is kept up to date and that all links are working.**

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1 & 2. In accordance with the Section 4.1 of the Presidential Decree No. 888 dated 28.04.16 the Ministry of Economy has prepared a new draft Law "On public procurement" in line with international best standards and best practices. On 11.05.2017 the draft Law has been sent to the Ministry of Justice for opinion, as well as on 17.05.2017 to the Cabinet of Ministers for information. After receiving opinions of relevant governmental agencies the draft Law will be submitted to the government. At the same time the Ministry of Economy is working on drafting guidelines on addressing public procurement complaints, as well as methodological guidelines for handling debarment. It is planned to be finalized by the end of this year.

3. Information on goods and services to be purchased by the Ministry of Economy and its structural units is regularly published on the Ministry's website every year. Additionally, information on purchases planned to be implemented in 2017 is published on the www.tender.gov.az website at the beginning of this year. Procurement of goods (works and services) by the Ministry of Economy is carried out in accordance with the Law of the Republic of Azerbaijan "On public procurement" by establishing an equal competitive environment for all consignors (contractors) on the basis of competition and publicity and the results of such competitions are registered in the procurement contracts register (name of procurement agency, content, name of the winning organization and the price of the contract) for public disclosure on www.tender.gov.az.

4. Currently organizational and administrative measures relevant to the preparation of the electronic procurement platform are conducted. Development of modern organization of delivering public services, identification of key areas to be implemented in the integration of information systems, provision of electronic services are priorities for the Ministry of Economy. In the first half of 2017 important steps have been taken in the field of improvement and modernization of e-services provided by the Ministry, reduction of the number of official documents required. During this period 5 new electronic services were added to the "List of electronic services", approved by the Decision of the Cabinet of Ministers of the Republic of Azerbaijan dated 24.11.11. Moreover, 2 electronic services were canceled in accordance with the Law of the Republic of Azerbaijan No 176-VQ dated March 15, 2016 "On Licenses and Permits". At

the same time, necessary administrative, technical and legal measures have been implemented in order to increase the number of e-services and relevant legal and procedural measures have been undertaken in order to integrate up to 70 new e-services into the E-Government portal this year.

5. The Ministry of Economy together with other relevant state agencies, civil society organizations and mass media representatives organized trainings on “Public procurement methods and conditions of their application” for public procurement officers, in Agdash, Absheron, Gobustan, Zardab, Gakh and Goranboy regions. About 300 employees participated in these events. At the same time, 5 awareness raising materials on procurement procedures for the procurement of goods (works, services) at central and local executive authorities purchased at the expense of public funds have been sent to the e-mail address of 690 procurement agencies. Implementation of comprehensive and regular training courses on electronic procurement, as well as all aspects of procurement for procurement officers is planned following the adoption of the new Law “On public procurement”.

6. The Ministry of Economy initiated co-operation with the Azerbaijan National Non-Governmental Organizations Forum in order to establish relevant councils or cooperation networks for the improvement of cooperation with civil society institutions and to involve civil society institutions, as well as non-governmental organizations. In the view of establishing Public-Cooperation Council within in the Ministry the draft Regulation of the Public Cooperation Council, the draft Order regulating the activities of the Public Cooperation Council, exemplary notice form on election of members of the Council has been prepared. At the same time rules for the election of members of the Council by civil society institutions has been adopted in accordance with the Law of the Republic of Azerbaijan “On public participation”.

During the reporting period necessary organizational and administrative measures have been implemented in order to ensure participation of civil society institutions in the monitoring of public procurement. In the first half of 2017, there was no appeal received from civil society organizations to participate in monitoring of public procurement.

7. & 8. Currently the government procurement website is operational (all links are working) and is constantly updated.

Assessment of Progress

Some limited progress has been reported by Azerbaijan authorities in regards to regulation and guidance in handling of complaints and debarment and most of it relates to draft legislation which would need to be adopted and put into practice, as well as looked into during the next round of monitoring to ensure that it indeed addresses 1 and 2 elements of the recommendation. Azerbaijan authorities did not provide information that would demonstrate progress under element 3, similarly steps taken towards development of the e-government do not relate to e-procurement and do not address element 4 of the recommendation, and therefore progress is still pending. Multiple measures have been reported in regards to training for public sector procurement officers and they represent significant progress in this area. Progress regarding involvement of the civil society would require more information for a meaningful conclusion. There appears to be progress on last two elements of the recommendation, however, information is currently available in Azerbaijan language only and should be also updated in English for participation of international bidders.

Progress

Recommendation 20: Business integrity

- 1. Conduct a business integrity risk analysis and develop a business integrity policy with the active engagement of the private sector.**
- 2. Work with the private sector to promote corporate internal controls, ethics, and compliance programmes or measures for preventing and detecting corruption (including in SMEs) and conduct surveys or studies to measure the impact of these measures.**
- 3. Consider adopting a Corporate Governance Code for SOEs based on the OECD Guidelines that could also include anti-corruption controls.**
- 4. Consider the establishment of a fully independent Business Ombudsman whose mandate would be to assist companies in mediating and resolving business integrity concerns.**

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1. Entrepreneurs are divided into high, medium and low risk groups in accordance with the Article 9.1 of the Law of the Republic of Azerbaijan “On Regulation of Entrepreneurship Supervision and Protection of Entrepreneurs' Interests”. Also, according to the Article 10.1 of the Law, the frequency of the planned (next) audits of the entrepreneur depends on the risk group to which he/she belongs to and it cannot be overdue for each risk group set out in this article. At the same time, the Section 1.5.1 of the “Strategic Road Map on the Production of Consumer Goods at the Level of Small and Medium Enterprises in the Republic of Azerbaijan”, approved by Decree No.1138 of the President of the Republic of Azerbaijan dated December 6, 2016, envisages conduct of analysis of the impact of inspections on the activities of the SMEs, review of the possibility of increasing the suspension period of inspections in the field of entrepreneurship and the preparation of relevant proposals. In this regard, legislative acts on increasing the suspension period of inspections have been prepared. At the same time, discussions are being held at the Working Group on “Optimization of Audits and Risk Assessment”.
2. Stimulation of the development of entrepreneurship, including small and medium-sized businesses, which is of crucial importance in sustainable socio-economic development of the country, creation of more favorable conditions for entrepreneurs, diversification of the economy, opening of new jobs, development of non-oil sector, implementation of modern regulatory policy are priorities. One of the main priorities of the Ministry of Economy is to further increase the role of entrepreneurs in the country's new stage of development, to continue the complex state support measures for entrepreneurship development, as well as to solve the problems they face and to achieve entrepreneurial satisfaction in this direction.
In order to address the problems faced by entrepreneurs by the Ministry of Economy has been further improved the consideration of their applications and the following requirements have been strictly observed in the course of consideration of appeals from entrepreneurs by all the structural subdivisions of the Ministry directly dealing with entrepreneurs:
 - ensuring that entrepreneurs' requests are reviewed and answered objectively, thoroughly, timely and in full accordance with the requirements of the legislation;
 - discussion of issues raised in their appeals with direct participation of entrepreneurs;
 - the results of the discussions held with entrepreneurs have been registered;
 - in cases when the entrepreneurs do not attend discussions, they have been contacted verbally,

reasons of their inability to participate, as well as issues raised in their appeals were clarified and oral discussions were held, result were registered;

- in order to prevent time loss and ensure operational efficiency a mechanism of electronic explanation of the proceedings during the review of applications has been established;
- relevant letters have been sent to the relevant authorities regarding the matters raised in the appeals of the entrepreneurs and, as a rule, the appeals were answered after obtaining answers from them;
- the response letters included measures implemented for consideration of entrepreneurs' appeals, or relevant subjects to be addressed have been indicated;
- when a decision is taken to maintain, partly satisfy or reject entrepreneurs' applications, complaint procedures have also been explained in the response letter to the applicant;
- entrepreneurs were informed in written form about results of their appeals, where application was not positively answered the reasons for their failure were provided, and the procedure for filing complaints was explained.

The consideration of applications received from entrepreneurs has always been kept in focus and is based on the requirements of the Law of the Republic of Azerbaijan "On Citizens' Appeals" and "Rules of conducting clerical proceedings in relation to citizens' applications in state and municipal bodies, legal entities controlling interest (stocks) belonging to state or municipal bodies and budgetary organizations" and "Rules of conducting clerical proceedings in relation to citizens' applications in state bodies, the legal entities owned by the state and legal entities controlling interest (stocks) belonging to state and budgetary organizations" approved by the Decrees of the President number 950 and 951, dated 23.06.16.

In accordance with the Decree of the President of the Republic of Azerbaijan No. 762 dated 03.02.16 in order to ensure transparency and objectivity in the consideration of complaints of individuals and legal entities engaged in entrepreneurial activity, protection of rights and lawful interests of persons in this area, Appeal Councils, which are collegial bodies in the central and local executive bodies, were established and their exemplary statutes were approved. The Appeal Council of the Ministry of Economy has reviewed repeated complaints filed by individuals and legal entities engaged in entrepreneurial activity related to the competence of the Ministry in relation to their entrepreneurial activity. With the aim of implementation of adequate preventive measures to address problems faced by entrepreneurs, as well as continuation of economic reforms in our country, aimed at expanding investment activity, improving the business environment and increasing industrial production the Ministry of Economy in accordance with the Presidential Decrees No. 745 dated 18.01.16, and No. 877 dated 20.04.16 has launched issuance of an Investment Incentive Certificate and Investment Promotion Document to legal entities and individual entrepreneurs for imports of equipment, technological equipment and facilities to provide entrepreneurs with various privileges stipulated by law for the purpose of improving their business activity, Issuance of certification documents. Until 27.07.17. the Ministry has issued 182 Investment Incentive Certificates to 169 entrepreneurship subjects, and 732 Investment Promotion Documents to 132 entrepreneurship subjects. 70 of the Investment Incentive Certificate submitted to entrepreneurship entities are agricultural and 112 are industrial enterprises. The total cost of these projects is 1,632,055.6 thousand Manats, the amount of equipment to be imported is 873,341.5 thousand Manats, and the cost of the concession equipments is 115,824.07 thousand US dollars. Also, as a result of these projects, 11,896 new jobs were created.

In addition, in accordance with the Presidential Decree "On the simplification and transparency of procedures for the issuance of special permit (license) and reducing number of entrepreneurial activities requiring special permit (license)" dated 19.10.15. special permits (licenses) are issued by the Ministry of Economy at "ASAN Service" Center, except for the cases arising from state security. From 02.11.15 till 30.07.17 in total 4276 licenses (3715 of them in Baku and 561 in

regions) have been issued to entrepreneurship subjects through “ASAN Service” Centers. During the first half of 2017, the National Fund for Support of Entrepreneurship has organized 18 business forums, including 16 in the regions and 2 in Baku. Entrepreneurs were provided with preferential loans, awareness raising trainings were conducted for 1670 entrepreneurs, including 1510 in the regions, and 160 entrepreneurs in Baku city, exemplary investment projects were demonstrated, discussions with representatives of credit organizations and entrepreneurs on use of their existing economic potential more efficiently. Announcements were made in the media for the adoption of investment proposals in cities and regions.

During the first six months of 2017, in order to solve the financial problems faced by entrepreneurs, the National Fund for Support of Entrepreneurship provided preferential loans in the amount of 63,257.8 thousand Manats to 690 entrepreneurship subjects in the regions, and in Baku making it possible to create 2328 new jobs. 64.7% of the loans were given to the regions of the republic, and 35.3% to the Baku city settlements.

In order to strengthen awareness of entrepreneurs on legislative acts related to inspections in the field of entrepreneurship, the “Rules of issuance of Investment Promotion Document”, as well as the recent reforms relevant measures with the participation of representatives of the Ministry of Justice, National Confederation of Entrepreneurs (Employers) Organizations, representatives of inspection bodies and entrepreneurs were implemented on 07.07.17 at Aran Regional Development Center in Yevlakh city for Aran and Gandza-Gazakh economic regions, on 14.07.17 at Guba-Khachmaz Regional Development Center located in Khachmaz city for Absheron and Guba-Khachmaz economic regions.

At the same time, in applications submitted to the Ministry of Taxes on the suspension and cancellation of their activities by entrepreneurship entities the main reasons are shown as following: 30% reorganization, 1% reorganization of the organizational and legal form and renovation under another name, 1% low profitability, 1% limited access to financial and credit resources, 1% had seasonal and other factors, 1% had personal health, and 66% had other reasons. Accordingly, businesses showing other reasons have been contacted selectively, and 54% of them explained it by lower profitability, 24% restructuring their activities, 13% have already restored their activity, 8% low rental fees, and 1% of their activities being of a seasonal nature.

Also via SMS send to mobile phones entrepreneurs were recommended to apply to the 195-2 Call Center of the Ministry for assistance in rebuilding their activities. In this regard, the entrepreneurs who applied to the Ministry's Call Center were provided with detailed information on recent reforms and support mechanisms, compiling the complaint sheets for each complaint letter and handling them in accordance with the requirements of the Law of the Republic of Azerbaijan “On Citizens' Appeals”.

3. During the reporting period relevant researches and studies in regards to the adoption of the Corporate Governance Code for State-Owned Enterprises have been initiated and are in progress. It is planned to finalize researches and studies in the second half of 2017.

4. Improvement of alternative dispute resolution options among small and medium-sized businesses is envisaged as one of the priorities in the Strategic Road Map on the production of consumer goods at the level of small and medium entrepreneurship in the Republic of Azerbaijan. In this regard, currently measures are implemented for drafting the Law of the Republic of Azerbaijan “On Mediation”.

Review of existing international instruments in the field of business and human rights and their implementation into national legislation is one of the priorities in the activity of the Ombudsman. For this purposes following a round table on “Business and Human Rights: challenges and prospects” held on February 12, 2013, establishment of a Working Group was agreed. In accordance with the Decree of the Ombudsman dated 27 March 2013, a Working Group was established and its Statute has been adopted. Currently, the Working Group consists of

representatives from Ministries of Economy, Taxes, Justice, Agriculture, Ecology and Natural Resources, Emergency Situations, State Labor Inspection Service, Azerbaijan Trade Unions Confederation, State Committee on Family, Women and Children's Affairs, Antimonopoly Policy and Consumer Protection Service, the Free Union of Consumers, Small and Medium enterprises Development Support Center, Entrepreneurship Development Foundation and several local NGOs. Members of Parliament, representatives of NGOs, international experts are also invited to the meetings of the Working Group. Participation in the Working Group is based on the principle of voluntarism and its composition may change. At the Working Group meetings, a wide exchange of views on relevant themes, proposals and recommendations are heard, discussions on how to improve the activities are held. From February 2013 till April 2017, the Working Group has organized 14 roundtables on various topics, the last being held on 28 March 2017 on "Protection of consumer rights in the context of business and human rights". One of the main activities of the Group is to take necessary measures to implement the UN "Guiding Principles on Business and Human Rights" and other international instruments in this area. This and various other documents and materials have been translated into national language, published, disseminated and uploaded to the official website of the Ombudsman.

Assessment of Progress

Business integrity risk analysis was not yet conducted and business integrity policy with the active engagement of the private sector was not yet developed, however preliminary planning measures have already been taken. Azerbaijan authorities reported steps taken to improve the complaint mechanisms for businesses and ensure their proper functioning and other steps taken towards easing of doing business and the burden of businesses from inspections and controls, as well as improve private sector-government dialogue – these are very good measures, however, they are not directed at promoting corporate internal controls, ethics, and compliance programmes or measures for preventing and detecting corruption (including in SMEs) and conducting surveys or studies to measure the impact of these measures, as Recommendation asks.

Government reports steps on considering the adoption of the Corporate Governance Code for SOEs which constitute progress.

The steps reported do not relate to consideration of establishment of Business Ombudsman which is a distinctly different mechanism from Ombudsman institute, and cannot be considered progress on this part of the recommendation.

In sum reported measure while constitute progress, it is of limited nature and more attention should be paid to reporting of measures that directly relate to the recommendation.

Progress

CHAPTER 3: ENFORCEMENT OF CRIMINAL RESPONSIBILITY FOR CORRUPTION

Recommendation 21: Trainings

Continue to provide training and guidelines to investigators, prosecutors and judges on cases of bribe offers, bribe promises, non-material bribes, and foreign bribery.

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Government report

Taking into account the importance of educational activities in the fight against corruption, these topics are broadly covered at initial and ongoing trainings of judges. In recent years, 250 judges participated in various trainings on topics of combatting corruption organized in cooperation with international partners. Anti-corruption topics are also included in initial long-term course of candidates for judges.

Various aspects of pre-trial investigation of corruption offences, international standards, best practices and cooperation in this field are part of a one-year mandatory training offered to candidate prosecutors and of optional in-service training. In February to May 2017, the Scientific-Educational Centre of the Prosecutor General's Office organized training courses for newly recruited 110 employees of the Prosecutor's Office.

In September 2016, the Anti-Corruption Directorate in cooperation with the Ministry of Taxes organized training courses for investigators and inquiry officers of the Ministry of Taxes. In total 43 officers attended the courses. Various aspects of pre-trial investigation including corruption and corruption related offences, application of criminal and criminal procedural legislation have been covered during the trainings.

Moreover, each Saturday according to the Ordinance of the Prosecutor General training curricula is held at the Anti-Corruption Directorate for investigators, prosecutors and detectives on various themes, including detection, investigation and prosecution of bribery offences.

Assessment of Progress

While extensive and comprehensive trainings are being conducted for investigators, prosecutors and judges, information provided suggests that they are of broad anti-corruption nature. Azerbaijan authorities assured that issues identified in the recommendation are covered by these trainings, and therefore these steps were treated by the experts as progress, however, limited. Going forward more focused trainings should be conducted on the recommended issues to continue demonstrating progress under this recommendation.

Progress

Recommendation 22: Money laundering

Take measures (e.g. issuing normative acts or prosecutor instructions, or training judges and prosecutors) to clarify that the money laundering offence in Article 133 CC applies where (1) different persons commit the laundering and predicate offences, (2) the predicate offence is committed outside Azerbaijan, (3) the predicate and money laundering offences are tried separately, and (4) the subjective elements of the offence are inferred from objective, factual circumstances.

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Government report

In order to strengthen the fight against money laundering and financing terrorism and ensure continuity of systematic and complex measures implemented in this field the National Action Plan “On combatting money laundering and financing terrorism 2017-2019” has been approved by the Decree of the President of the Republic of Azerbaijan dated 18 November 2016. The National Plan envisages implementation of relevant measures for improvement of national legislation on money laundering and financing terrorism, as well as organization of trainings for judges on the legal qualification, investigation and prosecution of money laundering offences.

Moreover, this issue is also envisaged in “Action Plan of the Prosecutor General’s Office of the Republic of Azerbaijan on the implementation of the recommendations of the Report on the Republic of Azerbaijan adopted under the Fourth Monitoring Round of the Istanbul Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia of the Organization for Economic Co-operation and Development (OECD)” signed by the Prosecutor General on 28 April, 2017, in the form of requesting the Plenary of the Supreme Court to adopt a decision in relation to the interpretation of Article 193-1 of the Criminal Code (money laundering), and organization of trainings and seminars on this topic, preparation of methodical recommendations and other materials.

Several trainings were hold for judges on different aspects of combating money laundering.

Also, representatives of the ACD periodically attend regional and international seminars, trainings and conferences on combatting money laundering. For example, in October and November 2016 officers of the ACD attended conferences on combatting money laundering in Hungary and Latvia respectively.

Assessment of Progress

Some steps that contribute towards implementation of the recommendation have been reported by Azerbaijan authorities and have been considered as limited progress by the experts. However, for the next reporting Azerbaijan is encouraged to provide more detailed information in regards to how legislative measures will in particular address issues raised in the recommendation. Also more information in regards to training and instructions and how they relate to the specific points raised in the recommendation should be provided in the next monitoring report.

Progress

Recommendation 23: Liability of legal persons

- 1. Introduce without delay criminal procedure provisions for the enforcement of the criminal liability of legal persons.**
- 2. Ensure that corporate liability is autonomous, namely that it is not dependent on the investigation, prosecution or conviction of a natural person.**
- 3. Provide guidelines and training to investigators, prosecutors and judges on the application of the substantial and procedural rules on criminal liability of legal persons.**
- 4. Raise the private sector’s awareness of the corporate liability provisions in the Criminal Code and the importance of internal controls and corporate compliance programmes (see also the recommendation in the section on Business Integrity).**

Government report

1. The Law “On amendments to the Criminal Procedure Code of the Republic of Azerbaijan” has been adopted by the Parliament on 29 November 2016 and entered into force after it was signed by the President on 14 December 2016. In accordance with that Law relevant provisions regarding criminal procedures for the enforcement of criminal liabilities of legal persons have been introduced. The new Chapter LVI of the Criminal Code regulates proceeding for application of criminal legal measures to legal persons.
2. In accordance with the Article 99-4.2 of the Criminal Code of the Republic of Azerbaijan “application of criminal legal measures to the legal entity does not exclude criminal liability of the physical person made this act or participating in any form in its making”. It means that the liability of a legal person must not exclude a natural person’s liability for the same crime, and vice-versa: sanctioning an individual should not exclude charges against a corporation. Also according to the newly introduced Article 487-6.6 of the CPC in case of termination of the criminal case against a natural person provided for in Article 487-2.2 of the Code in the cases stipulated by Articles 39.1.5, 39.1.10-39.1.12 and 40.2 of the Code (those provisions are grounds when a natural perpetrator cannot be prosecuted-emphasis added), if the collected evidences shall be considered sufficient for application of criminal-legal measures in respect of the legal entity and sending the case to the court the investigator adopt a decision on sending the case to the court with indictment formulated in accordance with the requirements of legislation. This also shows relative autonomy of the corporate legal liability concept applied in national legislation.
3. The criminal liability of legal persons is one of the regular topics that are on the agenda of the ACD, and the Directorate intensively studies the foreign experience and best practice in this area. Seminars and trainings on this topic are periodically organized. For example, on May 21-25, 2017 a delegation of officers of the ACD had a study visit to the Netherlands within the framework of the EU-funded project of “Supporting the development of judicial system and improving the services provided by the agencies that implement criminal court orders in Azerbaijan”, where they have been familiarized with the legislation and best practices of the mentioned country in relevant field. The relevant Action Plan of the Prosecutor General’s Office also envisages implementation measures in this direction, such as conducting trainings, seminars, courses, as well as preparation and distribution of booklets, brochures and other printed materials.
Moreover, topics on corporate criminal liability are covered at regular trainings held each Saturday in accordance with the Ordinance of the Prosecutor General.
4. In the view of application of corporate governance principles in industrial enterprises a training on “Internal Control. Risk Management. Responsibility” was held on 20.04.2017. An invitation was sent to 48 industrial companies to participate in the event. The vast majority of these companies are private sector companies. Moreover, this year it is planned to conduct 8 more trainings on relevant topic. Also, it is planned to conduct relevant surveys to determine the effect of the event among the participants upon completion of the trainings.

Assessment of Progress

Azerbaijan Criminal Procedure Code has been amended with provisions which make the liability of legal persons for corruption offences enforceable. This is positive step for which Azerbaijan is commended and which represents significant progress under this recommendation. It was also

amended to ensure autonomy of the liability of the legal person. These changes are also complimented by the trainings for the law enforcement and according to the information provided by Azerbaijan authorities more shall be done to this end. Trainings for the private sector actors have been commenced and their effectiveness will be assessed to decide on the next steps; these are also steps in the right direction.

Significant Progress

Recommendation 24: Seizure and confiscation

- 1. Continue to monitor the effectiveness of the seizure and confiscation regime, including by collecting and analyzing accurate statistics on the type and amount of property that is seized and confiscated, and on the disposition of such property.**
- 2. Take steps to ensure that investigators, prosecutors and judges place more emphasis on seizing and confiscating the proceeds of corruption, including the assets produced or derived from corruption offences (e.g. the profits resulting from a contract obtained through corruption).**
- 3. Enhance the capacity of ACD and other prosecutors' offices to identify, evaluate and seize corruption-related property.**
- 4. Adopt the legislation on the Asset Management Office and make the Office operational.**

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Government report

1. The Anti-Corruption Directorate periodically analyzes the practice of application of confiscation provisions by collecting relevant statistics and information. During the first six months of 2017, 93 out of 103 criminal cases sent to courts for review were related with material damage. Total amount of material damage caused was 12.804 million Manats, out of which 28.2 % were compensated during pre-trial investigation. In 2 criminal cases seizure of assets in the total amount of 21504 Manats were guaranteed. In 2016, 167 criminal cases out of 201 criminal cases sent to courts for review were related with material damage. Total amount of material damage caused was 202.6 million Manats, out of which 16.6 % were compensated during pre-trial investigation. In 4 criminal cases seizure of assets in the total amount of 78.2 million Manats were guaranteed.
2. The National Action Plan "On combatting money laundering and financing terrorism 2017-2019" approved by the Decree of the President of the Republic of Azerbaijan dated 18 November 2016 envisages implementation of relevant measures for increasing knowledge and skills of judges, prosecutors and investigators in respect of confiscation of proceeds of crime and asset recovery, conduct of trainings and courses.
3. In 2016 Financial Monitoring Service prepared and published at its website Guidelines on "Best practices on confiscation and asset recovery". The methodological document describes best practices available in other countries related to tracing, freezing and confiscation, management of confiscated property, international co-operation, and international standards in this area. Moreover, representatives of the ACD periodically attend conferences, seminars and trainings held on topics of asset recovery. For example, in May 2017, officers of the ACD attended a specialized training on financial investigations and asset recovery held by the Hong Kong's Independent Commission Against Corruption (ICAC) in Hong Kong, China. Also, in June 2017, a

delegation of the ACD attended the IAP regional conference on cybercrime and asset recovery in Tbilisi, Georgia.

4. Article 2.6 of the National Action Plan “On combatting money laundering and financing terrorism 2017-2019” approved by the Decree of the President of the Republic of Azerbaijan dated 18 November 2016 envisages implementation of measures in the field of improvement of national legislation in the field of confiscation of proceeds of crimes and asset recovery, and establishment of mechanisms in line with international standards.

Assessment of Progress

Some steps have been reported by Azerbaijan and constitute limited progress made in addressing of this recommendation. However, many measures are still in the form of planned activities and it would be possible to evaluate their effectiveness only once relevant provisions of the National Action Plan “On combatting money laundering and financing terrorism 2017-2019” get implemented.

Progress

Recommendation 25: Immunities

1. **Reduce the scope of immunity of MPs and judges to ensure that immunity would not unduly impede investigations and prosecutions, such as by providing immunity only to acts committed in the performance of official duties, or only to officials who have been indicted or whose arrest is sought.**
2. **Take steps to ensure that the decision to lift immunity is based only on whether the request is abusive (i.e. *fumus persecutionis*) and not on the merits of the allegations.**
3. **Substantially reduce the deadline for the Milli Majlis and JLC to lift immunity.**

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Government report

According to the Article 90 of the Constitution of the Republic of Azerbaijan Member of Parliament (*Milli Majlis*) of the Republic of Azerbaijan enjoys immunity during the whole term of his/her powers. Except cases of *in flagrante delicto* a member of the Milli Majlis of the Republic of Azerbaijan cannot be subjected to criminal responsibility during the whole term of his/her authority, arrested, disciplinary measures cannot not be applied to him/her by courts, he/she cannot be searched. Member of the Milli Majlis of the Republic of Azerbaijan can be arrested only in case of *in flagrante delicto*. In such a situation the investigative authority that caught a MP must immediately notify the Prosecutor General of the Republic of Azerbaijan about the fact. Immunity of Member of the Milli Majlis of the Republic of Azerbaijan can be lifted only by the decision of the Milli Majlis based on application of Prosecutor General. In accordance with the Article 91 of the Constitution Members of Milli Majlis cannot be held responsible for their activity in Milli Majlis, voting and statements made in Milli Majlis. Without the MPs' consent, they cannot be demanded to testify or to give explanations.

According to the Article 128 of the Constitution of the Republic of Azerbaijan and Article 101 of the Law “On Courts and Judges” a judge enjoys immunity. The procedure of lifting immunity of a judge is described in the Constitution and the Law “On Courts and Judges” (see below).

According to the Article 101 of the Law “On Courts and Judges” the investigative authority that

caught a judge *in flagrante delicto* must immediately notify the Prosecutor General of the Republic of Azerbaijan about the fact. If the Prosecutor General determines grounds for prosecution of a judge he/she immediately submits a motion to the Judicial-Legal Council on this. The Judicial-Legal Council reviews the motion within 24 hours at time the judge is caught, at presence of the Prosecutor General or Deputy Prosecutor General and decides to accept or to refuse that motion. The decision on results of review immediately is submitted to the Prosecutor General.

In other cases a motion of the Prosecutor General on start of prosecution regarding a judge is reviewed within 72 hours of its submission to the Judicial-Legal Council.

In accordance with the Law “On amendments to the Law of the Republic of Azerbaijan on Courts and Judges” dated 29 November 2016, the timeframe for the review of the motion of the Prosecutor General of the Republic of Azerbaijan on lifting the immunity of the judge and starting criminal proceeding against a judge has been reduced from ten days to 72 hours.

Article 22 of the Internal Regulations of Milli Majlis (Parliament) regulates the procedure of lifting immunity of a member of the Parliament. According to that Article in accordance with the Section II of the Article 90 of the Constitution of the Republic of Azerbaijan an MP’s immunity can be lifted only by Milli Majlis upon the application of the Prosecutor General. The Milli Majlis reviews the application of the Prosecutor General within 7 days since the date it is received. The Chairman of Milli Majlis, as a rule, firstly forwards request to the Disciplinary Commission of the Milli Majlis for an opinion. The Commission adopts an opinion on this issue. As a rule, the MP regarding whom the motion is submitted can participate in the session of the Commission. The MPs participating in the session of the Commission cannot discuss whether the MP regarding whom the motion is submitted is guilty or not, and can only discuss whether the application of the Prosecutor General is well substantiated or not, and may ask questions to the Prosecutor General, make speeches in favour or against the adoption of the motion. Then the Milli Majlis may decide to lift immunity by majority vote.

The proceedings described above ensure sufficient guarantees for protection from abusive requests, as it is transparent and is guaranteed by the Constitution and laws.

Moreover, currently within the cooperation project with the EU on reducing the scope of immunity of judges a Working Group containing representatives of the Prosecutor General’s Office, Ministry of Justice, Academy of Justice, Judicial-Legal Council and international experts was established. The Working Group studies international best practices in this field and it is planned to adopt a draft law on reducing the scope of immunity of judges regarding corruption offences.

Assessment of Progress

Law “On amendments to the Law of the Republic of Azerbaijan on Courts and Judges” dated 29 November 2016 represents a step towards implementation of part of the element 3 of the recommendation as the deadline for review of the motion for lifting of immunities of judges was reduced from 10 days to 3 days; similar actions have not been taken in regards to the MPs. The rest of the legislation and practice in regards to immunities stayed unchanged since adoption of the recommendation. The Working Group which will look into reducing immunities was established but until it yields results, progress cannot be assessed. Therefore, very limited progress could be recorded by the experts towards overall implementation of this recommendation.

Progress

Recommendation 26: Effective regret

Further analyze the application of the effective regret defence with a view to limiting its application and increasing the prosecution of active bribery offences.

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Government report

Anti-Corruption Directorate periodically analysis application of effective regret provisions together with other issue regarding pre-trial investigation of corruption cases. It should be noted that application of effective regret provision is significantly declined during last years. For example, during the first six months of 2017, out of 110 criminal cases investigated at the ACD none was dropped based on effective regret provision, meaning that the mentioned provision has not been applied. During 2016, out of 216 criminal cases investigated at the ACD only in 1 case article 40.2 of the CPC was applied.

Prosecution of active bribery cases by the ACD is gradually increasing as it can be observed from the table below.

Years	Number of active bribery cases investigated at the ACD and sent to the courts for review	Number of accused individuals	Total number of criminal cases investigated at the ACD	Total number of accused individuals
January-July 2017	5	11	103	133
2016	14	17	216	314
2015	9	13	207	301
2014	4	5	209	336
2013	2	3	201	367

Assessment of Progress

ACD monitors application of the effective regret on a regular basis and information provided by the Azerbaijan authorities demonstrated that in fact its application has decreased to only 1 case in 2016 and there were no cases of it application in 2017. This information was further supported by statistical data on steady increase in cases of active bribery pursued by the ACD. This, in the opinion of the monitoring experts, demonstrates clear progress towards implementation of the recommendation.

Significant progress

Recommendation 27: Procedures for investigation and prosecution of corruption offences

- 1. Amend the legal provisions and revise the practice that hinders the use by law enforcement agencies of information revealed by the media for opening criminal cases or continue with the investigations into allegations of corruption.**
- 2. Use results of the analysis of the data contained in the database in order to better prioritize ACD's activities to ensure that the most relevant corruption allegations are being tackled.**
- 3. Take the necessary measures to facilitate the speedy and confidential access to bank and financial information of the prosecutors investigating corruption cases.**
- 4. Ratify as a matter of urgency the Second Protocol of the CoE Convention on International Judicial Cooperation, the Warsaw Convention on Money Laundering and the Fourth Protocol of the Council of Europe's Convention on Extradition.**
- 5. Encourage the prosecutors to establish informal contact channels with foreign authorities in order to better prepare the MLA requests and the execution thereof.**
- 6. Provide training and guidelines to the prosecutors and judges on the best practices in international judicial cooperation.**

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Government report

1. In accordance with Article 206 of Criminal Procedure Code of the Republic of Azerbaijan, information held by the media concerning an offence committed or planned, which is deemed to constitute grounds for instituting criminal proceedings, shall be immediately sent to the prosecuting authorities after its disclosure in the press or on radio or television. Correspondence addressed to the media about an offence committed or planned, which has not been published, shall be sent by media officials to the prosecuting authorities in accordance with Article 205 of this Code. Media officials who have published or sent to the authorities information about an offence committed or planned and authors of such information shall submit the documents in their possession confirming the information to the inquiry officer, the investigator, the prosecutor in charge of the procedural aspects of the investigation or the court.

Since the adoption of the IV Round Monitoring Report no amendments have been made to those provisions. However, information from the media can be used for detective activity and Operations Department of the ACD regularly looks for information in the media.
2. Ensuring that the most relevant corruption allegations are tackled is one of the priorities and duties of the ACD. The ACD regularly analysis information received on corruption offences through different sources, as well its activities in forms of summarizations, quarter, semi-annual and annual internal performance reports, and other analytical documents. Results of this work are used in planning of further activity of the Directorate, as well as in prioritizing ACD's activities.
3. Adoption of relevant measures for simplification of procedures for obtaining bank and financial information is planned in the view of implementation of the National Action Plan "On combatting money laundering and financing terrorism 2017-2019" approved by the Decree of the President of the Republic of Azerbaijan dated 18 November 2016.

4. The Republic of Azerbaijan signed the Warsaw Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS 198) in 07/11/2016 and with the national Law № 678-VQ, dated 31 May 2017, ratified the mentioned Convention. The Fourth Protocol of the European Convention on Extradition has been translated into Azerbaijani language, and currently possibilities of Azerbaijan's accession to this instrument are reviewed.
- 5 & 6. Employees of the ACD regularly attend seminars, trainings and conferences on MLA, including OECD GLEN. The Network of Anti-Corruption Prosecutors project of the International Association of Prosecutors (IAP) is also used as an effective tool in international legal cooperation. In some cases contacts obtained through mentioned events are used in investigation of corruption cases at the ACD.

Assessment of Progress

Azerbaijan authorities reported some of the measures which constitute progress under this recommendation, including adoption and ratification of the Warsaw Convention, Azerbaijan will still need to join the other two instruments that have been recommended. Other measures, such as participation in international cooperation trainings and networking events for law enforcement officials, also contribute towards addressing the last two elements of the recommendation. Other elements would need to be addressed in the future through legal and practical steps.

Progress

Recommendation 28: Enforcement of corruption offences

1. **Concentrate the resources of ACD to investigate complex, systemic and high level corruption cases, relevant for the economic and social situation in Azerbaijan.**
2. **Use analytical information gathered by the prevention department of ACD and the information revealed by the media and other sources in order to identify and pursue the investigation into the most relevant corruption cases and for the most vulnerable sectors.**
3. **Provide training to prosecutors with regard to carrying out of financial investigations with exposure to international best practices; and document analysis in complex commercial corruption cases.**

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Government report

1. The ACD continuous investigation of complex, systematic and high level corruption cases. As a recent example, the case involving high level public officials of the Ministry of Communication and High Technologies can be shown. The case was started in October 2015, based on facts revealed during the pre-trial investigation of criminal cases regarding high-level public officials of the former Ministry of National Security. The mentioned cases was investigated under the Articles 179 (embezzlement), 213 (tax evasion), 308 (abuse of official powers), 313 (office forgery) and others. During the pre-trial investigation it was established that the Head of the Apparatus of the Ministry in relationship with several other heads of subordinated structural units of the Ministry and directors of companies belonging to the Ministry embezzled budget funds in total amount of more than 151 million Manats through falsification of public procurement tenders, documents and other financial schemes. Pre-trial

investigation of the case was finished in 2016, and it was sent to the relevant court for review. In August 2017, final judgments of court in mentioned case was announced sentencing most of accused individuals to different periods of imprisonment.

Pre-trial investigation of another complex and systematic corruption case is currently ongoing. In this case it was established that chairman of the Management Board of the local private bank "X" in relation with other individuals embezzled funds of that bank via different schemes, and total amount of embezzlement is approximately 114 million Manats. The case is investigated under the Articles 179 (embezzlement) and 308 (abuse of official powers) of the Criminal Code. Currently there are several ongoing criminal cases where significant amounts were embezzled in private sector.

2. In order to further strengthen the analytical work and corruption prevention measures, to develop analytical thinking and analytical skills of prosecutors in the fight against corruption the Preventive Measures and Inquiry Department and other structural units of the ACD regularly summarize complaints and information received from various sources. For example, during the first six months of 2017, information on planned and committed corruption offences in the field of social protection has been summarized and relevant analyzes were carried out. Moreover, during 2016, information on planned and committed corruption offences in fields of social protection, in the area of management of state property, real estate registry, state land cadastre and monitoring, as well as corruption in banks and non-bank credit institutions were summarized and relevant analyzes were carried out. Results of this analytical work are used in planning of the work of the ACD and prioritizing its activities aimed at prevention and suppression of corruption. Also, as a result of this analytical work most corruption prone sectors, as well as gaps and contradictions in legislation are identified, relevant measures aimed to address those problems are taken (submission of motions of general or specific character to responsible state agencies, proposals on amendment of legislation, or practices conducive to corruption and etc.). Total 27 motions in 2016 and 9 during the first six months of 2017 were submitted by the Preventive Measures and Inquiry Department.
3. The National Action Plan "On combatting money laundering and financing terrorism 2017-2019" approved by the Decree of the President of the Republic of Azerbaijan dated 18 November 2016 envisages organization of trainings for judges on the legal qualification, investigation and prosecution of money laundering offences, familiarization with international best practices and standards in relevant field.
Moreover, the Scientific-Educational Centre of the Prosecutor General's Office regularly organizes training courses employees of the Prosecutor's Office on different aspects of investigation, including investigation of corruption and corruption related offences.

Assessment of Progress

Azerbaijan authorities reported considerable progress under this recommendation, including examples of the some of the high profile cases being successfully adjudicated and investigated; analytical work of the ACD is also further developing and showing good results, the information is being utilised to identify sectors prone to corruption and take action, this good trend should be continued. Finally, trainings conducted and planned are a good development and it is important that Azerbaijan ensures that financial investigations receive appropriate prominence in such trainings.

Significant Progress

Recommendation 29: Anti-corruption criminal justice bodies

Envisage a communication channel between investigative prosecutor and trial prosecutor to better prepare the corruption cases for trial and ensure success of prosecution. For instance, this could be done by considering the possibility to establish a trial prosecutors unit within the ACD for representation of corruption-related cases in courts, or through a system of designation of trial prosecutors to the ACD.

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Adoption of relevant measures in the view of implementation of this recommendation is envisaged in the “Action Plan of the Prosecutor General’s Office of the Republic of Azerbaijan on the implementation of the recommendations of the Report on the Republic of Azerbaijan adopted under the Fourth Monitoring Round of the Istanbul Action Plan of the Anti-Corruption Network for Eastern Europe and Central Asia of the Organization for Economic Co-operation and Development (OECD)” signed by the Prosecutor General on 28 April, 2017. Namely Article 31 of the Action Plan considers ensuring preparation of proposals about the establishment of a division (structural unit) of trial prosecutors within the Anti-Corruption Directorate or establishment of a relevant unit within the Public Prosecution Department of the Prosecutor General’s Office, including adoption of a regulatory framework governing the relationship between the trial prosecutor and investigator/investigating prosecutor, as well as provision of appropriate measures to improve qualification and quality of public prosecution. Currently, proposals and opinions of relevant responsible units within the Prosecutor General’s Office on this issue are considered.

Assessment of Progress

Azerbaijan is encouraged to implement the Action Plan which was developed to address 4th round IAP recommendations, in particular measure 31. Until Azerbaijan reports on its implementation, measuring progress in regards of this recommendation is premature.

Lack of Progress

CHAPTER 4 - PREVENTION AND PROSECUTION OF CORRUPTION IN EDUCATION

Recommendation 30: Sectoral anti-corruption policy and bodies and prevention measures

1. Introduce risk-based and evidence-supported approach to the development of anti-corruption policy in education involving a large panel of civil society stakeholders.
2. Continue with the introduction of performance and impact indicators to track the progress made in the implementation of sectoral anti-corruption plans.
3. Strengthen collaboration between the MoE and the State Examination Centre for continuous monitoring of education reforms and progress and ensure linkages of new evidence to both education and anti-corruption policy.
4. Conduct a public expenditure review in education to assess whether public funding allocated to schools is adequate for providing quality education
5. Communicate anti-corruption efforts and their measured impact, for example by providing access to relevant data and research (government, NGOs, universities)
6. Review and improve existing mechanisms and platforms for a large stakeholder involvement in the design and monitoring of anti-corruption policy in education.
7. Strengthen procurement policy and implementation for more clarity and transparency, including further guidelines for discretionary selection of procurement methods to encourage more use of competitive methods.

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INFORMATION ON IMPLEMENTED MEASURES REGARDING RECOMMENDATIONS 30 AND 31

Anti-corruption policy in education and use of indicators

In accordance with the “National Action Plan on Open Government 2016-2018” approved by the Presidential Decree dated 27 April 2016, the Minister of the Education issued and Order № 45 dated 25 January 2017 on adoption of internal Action Plan that was forwarded to all structural units of the Ministry, local education management bodies and education institutions for implementation, as well as to the Commission on Combatting Corruption. In January 2017, the Commission on Combatting Corruption has established “Electronic Monitoring System” and all information and materials on implementation of Action Plan has been uploaded to the mentioned system, where progress on implementation of relevant measures can be observed and evaluated.

Public awareness on implemented measures and reforms in education sector

In order to raise public awareness on reforms implemented in education sector and strengthen their involvement in this process of e-services provided by the Ministry has been improved and their spectrum has been enlarged. Currently 13 e-services are rendered by the Ministry that includes:

1. Authentication of education documents (www.e-gov.az/az/services);
2. E-reference for pupils of primary and secondary schools on place of their education (www.e-gov.az/az/services);
3. E-reference for pedagogical and technical staff of primary and secondary schools on place of their work (www.e-gov.az/az/services);
4. Education of Azerbaijani youth abroad (www.xaricdetehsil.edu.gov.az);
5. Application for entrance to vocational education institutions (www.psds.edu.az);
6. Application for teachers for recruitment to primary and secondary schools and announcement on results (www.miq.edi.az);
7. Application for teachers of primary and secondary schools for re-dislocation and announcement of results (www.miq.edu.az);
8. Application for diagnostic evaluation of teachers of primary and secondary schools and announcement of results (www.miq.edu.az);
9. Application for recruitment to the position of director of primary and secondary schools and announcement of results (www.miq.edu.az/direktorlar);
10. Online nostrification (www.nostrifikasiya.edu.az);
11. Re-dislocation of student of higher education institutions (www.transfer.edu.az);
12. Application for entrance to primary schools for pupils (www.mektebeqebul.edu.az/az);
13. Information on performance of pupils (www.ael.edu.az).

E-services rendered by the Ministry of Education are integrated to the Interdepartmental Information-Search System of the Ministry of Internal Affairs, State Service on Registry of Population of the Ministry of Justice, Unique Migration Information System of the State Migration Service, Electronic Information System on Labor Contracts of the Ministry of the Labor and Social Protection of Population through the Electronic Government system. Website of the Ministry has been updated in all sections and information on activities of the Ministry, events, implemented programmes and projects are published on the website. More than 600 press-releases have been uploaded to the website, 7300 information on the Facebook page and 400 on the Twitter page. Internet TV of the Ministry is operational, and during the first six months of 2017, 91 TV programmes on various themes have been prepared and broadcasted.

Websites of 64 district and city education divisions of the country have been introduced (www.regionlist.edu.gov.az). Websites of every local education management body have been integrated to the website of the Ministry and are updated.

Establishment of Statistic Information Database on electronic gathering, centralization and processing of information on vocational education is currently ongoing with the support of Technical Assistance project implemented within the framework of the "EU support to the vocational education in Azerbaijan" project. Website of the State Agency on Vocational Education by the Ministry of the Education is established. Accreditation and Nostrification Department of Ministry has established ani@edu.gov.az electronic mail address and updated the website www.nostrifikasiya.edu.az. New Rules on accreditation and nostrification have been developed and these Rules simplified the procedures. Access of students, citizens and personnel involved in education to electronic resources has been significantly strengthened via portals newly established by the Ministry. Resources at www.e-derslik.edu.az (369.513 views), www.edu.az (110.545 views), video.edu.az (21.933 views), www.e-resurs.edu.az (84428 views), www.e-test.edu.az (139759 views) have been strengthened.

Projects of educational books for primary and secondary schools and materials for teachers have been uploaded to the www.trims.edu.az website with the aim of learning opinion of public.

Admission to the vocational schools in Baku and Gandza cities has been implemented through "ASAN Profession" project, which guarantees transparency and integrity, as well as reduces red tape.

“EduPay” system has been introduced for collecting education fees for higher education institutions and currently five universities have joined this system. In accordance with the Presidential Decree on application of the Law “On non-cash payments” dated 23 December 2016 all normative-legal acts envisage non-cash payments for education fees.

Admission to primary and secondary schools, lyceum and gymnasiums in Baku city has been fully transferred to an electronic basis, admission of approximately 44.000 pupils through this system has been provided. Moreover, list of documents required for admission to the primary school has been reduced. Application of 6810 parents for admission of especially talented pupils to primary schools has been registered at www.mektebeqebul.edu.az website, and as a result of review of those applications 4613 has been positively answered allowing pupils to be admitted to the first class of primary schools. 2197 application were reviewed through evaluation process based on criteria of admission to pre-school education. This will further improved and starting from the next year admission to the pre-school education will be implemented through this system.

Starting from the August 2016 the Ministry of Education together with ASAN Service has launched “Mekteblinindostu (Friend of pupil)” pilot project with the aim of improving management of education. Main goals of the project are to establish secured environment for pupils, and organization of period awareness raising and diagnostic work including parents, pupils, teachers, personnel and management of education institutions. 800 applicants were registered for participation and through test examinations and interviews 110 person successfully joined project in 30 secondary schools in Baku city after undergoing relevant training.

Involvement of civil society in anti-corruption measures and monitoring implemented in education sector

Public Supervision Councils have been established at universities. Representatives of NGOs, mass media, as well as experts in education field participate in those Councils which are aimed at increasing public participation and transparency. Cooperation with NGOs, education experts and civil society has continued and the Ministry fruitfully cooperates with “Support to Modern Education and Teaching Center”, “Corruption Combatting Foundation”, “Constitutional Research Foundation” and Education Council of Azerbaijan.

Ministry has implemented measures to establish a civil society platform, an Order “On establishment of Permanent Councils with the Ministry of Education of the Republic of Azerbaijan” has been signed on 30.01.2017 and “Charter of Permanent Councils” has been approved with that Order. Main goal in establishment of Permanent Councils is to ensure active participation of civil society and NGOs in reforms, initiatives and projects implemented in education field.

Initially, the following four Permanent Councils has been established:

- 1.Education and information communication technologies;
- 2.Education and employment;
- 3.Substance of education and textbooks;
- 4.Students and youth.

Project of “School societies” is implemented with the aim of establishing public supervision in education sector and strengthening of parent-school relationship. Main goal of the project is more active participation of parents in organization and management of education and combining efforts of all interested parties (pupils, parents, teachers, public and etc.) in improving quality of education.

Strengthening of cooperation between the Ministry of Education and the State Examination Center in continuous monitoring of education reforms and progress

The Ministry of Education cooperates with the State Examination Center in determination of content of final exams for IX and XI classes of secondary schools, analysis of results of pupils in admission examinations to universities, as well as monitoring of textbooks.

In the current academic year, a joint action plan on the determination and content of the final exams of the ninth grade based on new subject curricula was developed and discussed. As a result of the discussions, considering the proposals of the Ministry of Education the “Rules on conducting final attestation of trainees at the general education stage” were approved by the Decision No. 498 of the Cabinet of Ministers of the Republic of Azerbaijan dated December 12, 2016.

The Deputy Minister Jeyhun Gurbanov is a member of the Board of Directors of the State Examination Center.

Implementation of systematical measures to combat corruption, improving transparency of rules and guidelines, awareness raising on corruption

“Rules on recruitment to the positions of director in general education institutions which are included in the system of the Ministry of Education” was approved by the Decision No. 126 of the Ministry of Education on 03 March 2017. “Rules on recruitment, replacement of pedagogical staff and determination of demands for teachers in general education institutions which are included in the system of the Ministry of Education of the Republic of Azerbaijan” was approved by the Decision No. 54 of the Ministry of Education on 15 May 2017.

Information on vacancies for the organization of the competition for recruitment of teachers and recruitment to general education institutions was collected and the cases of hiding vacancies were prevented. Based on selected criteria, by the guarantee of the software about 1,650 people’s job location have been changed in accordance with their application.

In the first half of 2017, training courses for about 2000 teachers and administrative staff of secondary schools were organized and those training programs included anti-corruption issues. Anti-corruption topics, training programs on additional education institutions and training programs for retraining were included in curricula for relevant specialties in higher and secondary vocational education institutions, and lectures and seminars were held for the students.

The programs of the Criminal Law and Criminology subjects studied at the Law Department in the universities included issues related to the investigation and combating corruption and other related crimes. Bachelors, Master Degrees and training courses for leading personnel carry out graduation works and master dissertations on corruption crimes and combat against them.

The departments of “Information Technologies in Public Administration” conduct seminars on anti-corruption topics within the framework of “E-government basics” and “E-documentation” in state bodies.

The students who study “state regulation of the economy” carried out free work on “Human rights abuses in the context of corruption and anti-corruption measures”, “Innovation and anti-corruption activities by the state in the context of corruption”, “Impacts of corruption on economic and national security, their drawbacks and anticorruption policy”, “Impact of corruption on the country's economic-socio-political situation and anti-corruption measures”, “Joint efforts of state, law enforcement agencies and citizens in combating corruption”.

In philosophy courses a topic on “Ethical norms, moral values”, in Pedagogy and Additional education programs a topic on “Transparency in education, responsibility and anti-corruption measures” were included.

The subject on “Constitution and the basics of law of the Republic of Azerbaijan” taught in the “Social disciplines” section of universities and respectively, the section on syllabus has been added to the section entitled “Criminal Law” which reflects corruption, countermeasures, responsibilities, and so on.

Heads of the enterprises have been tasked with the preparation of booklets, guidelines and other educational materials on the fight against corruption and publishing and distributing them to students in higher and secondary vocational education institutions, and the work has been started in this direction.

In the first half of 2017, two-day trainings were held for employees of the Ministry of Education. Within the framework of the seminar the topics on "Proper communication with citizens", "Respect for ethical conduct", "Elimination of corruption conditions" were held and discussed.

Introduction of effective financing system in education, organization of purchases

16 Territorial Financial Accounting Centers of the Ministry of Education have been created and educational institutions are funded through these centers with the purpose of improving the management of financial and administrative resources in the field of education in order to ensure the implementation of the Decree of the President of the Republic of Azerbaijan dated December 27, 2016 "On the application of the Law of the Republic of Azerbaijan" On State Budget of the Republic of Azerbaijan for 2017". After the creation of new structures important steps have been taken in the efficient use of budget funds, optimization of the staffs.

Procurement announcements made by the Ministry of Education are posted on the official website of the Ministry of Education, the official website of the State Service for Antimonopoly Policy and Consumer Protection under the Ministry of Economy (www.tender.gov.az) and publishes in the "Nation's Newspaper".

In order to ensure objectivity and transparency in the consideration of complaints of entrepreneurs by the Decree of the Minister of Education of the Republic of Azerbaijan dated 16.02.2016 the Appeal Board, as well as the Secretariat of the Appeal Board was established by the decree No 87 on 17.02.2016. The "Appeal Board" banner has been created on the official website of the Ministry of Education.

Identification of existing vulnerabilities in the field of education, taking appropriate measures

Relevant disciplinary measures have been taken against persons who have made deficiencies as a result of conducted service investigations, inspections and monitoring carried out by the Ministry in relation to corruption and corruption related cases in education, as well as some preventive measures have been identified.

One head of Education Department, 1 consultant, 19 school directors, 8 deputy directors, and 43 teachers' contracts were abolished because of poor supervision of educational institutions, who had serious flaws in the performance of functional duties and due to law violations. Disciplinary measures have been taken about 10 directors, 8 consultants, 33 school directors, 15 deputy directors and 20 teachers.

Regularly information is exchanged with specialized agencies in combating corruption, as well as in the first half of 2017 collected materials for the investigation of 4 complaints were sent to the Prosecutor General's Office for legal assessment.

The Anti-Corruption Directorate received 122 complaints (89 of them through Hot-line Call Center) regarding education sector in the first half of 2017, and 312 complaints in 2016. In the first half of 2017, the ACD finished the pre-trial investigation and sent to the courts 10 criminal cases in education field where 12 individuals were accused. In 2016 there were 8 criminal cases and 10 accused individuals.

Assessment of Progress

Information provided by Azerbaijan authorities in regards to progress on implementation of the

Sector recommendations was not structured in line with the Recommendations and could be accordingly streamlined for the next reporting. Each measure can be subtitled as it is done for other recommendations for the ease of evaluation by the monitoring experts.

Nevertheless, based on the provided information the experts drew the following conclusions:

Anti-Corruption policy which has been adopted at the time of the report is still under implementation, so no new policy document has been developed yet. However, the action plan developed by the Ministry of Education and its communication to other relevant implementing stakeholders reflects the right approach. Furthermore, establishment of “Electronic Monitoring System” which will allow to track progress on implementation of the anti-corruption sectoral plan and provide for opportunity to involve broader non-governmental stakeholders in its monitoring as required in several elements of the recommendation (2, 5 and 6). It will also help inform non-governmental stakeholders and public of the anti-corruption measures and their impact, as required in the recommendation. How this new system will work in practice will therefore be very important for monitoring of further progress under implementation of this recommendation. Similarly, introduction of the wide range of new e-services by the Ministry of Education also contributes towards both informing the public on the measures taken and involving them in monitoring of anti-corruption measures and their effectiveness. Development of the websites on local and central levels, as well as making information available on them contributes towards the same goals. Establishment of the Public supervision councils at the universities and permanent councils at the level of the Ministry of Education also are steps towards implementation of the element 5 and 6 of the recommendation. Some measures have been also reported towards implementation of the element 7 which relates to procurement and they reflect progress being made. Mechanisms for monitoring of expenditure processes are being put in place which hopefully will lead towards implementation of the element 4 of the recommendation. And finally element 3 of the recommendation on cooperation between the Ministry of Education and State Examination Center is being addressed according to information provided by Azerbaijan. All these steps in sum reflect significant progress made by Azerbaijan towards implementing of this recommendation.

Significant Progress

Recommendation 31: Enforcement and results, impact

- 1. Involve all relevant stakeholders (including ACD, MoE and civil society) to develop a comprehensive detection and enforcement strategy in the education sector.**
- 2. Strengthen parents-teachers associations to enable public participation in the enforcement of anti-corruption policy.**
- 3. Maintain and publish detailed and comprehensive statistics on the number of complaints about corruption in the education sector that are received by ACD and MoE, and on the number of investigations, prosecutions, convictions and sanctions.**
- 4. Strengthen the civil society oversight to ensure that MoE seriously and promptly considers the vulnerabilities identified and takes remedial measures.**

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See information provided under Recommendation 30

Assessment of Progress

It appears that most of the information provided by Azerbaijan authorities in regards to progress under Sector Recommendations either related to Recommendation 30 or described other very positive measures that without a doubt contribute to reducing and preventing corruption, including some of the positive figures on enforcement and sanctioning, but unfortunately do not directly address specific points raised in this recommendation and could not be taken into consideration by the monitoring experts when progress on Recommendation 31 was assessed.

Lack of Progress**OTHER MAJOR ANTI-CORRUPTION DEVELOPMENTS**