



Transparency Azerbaijan



REPORT
on
**“Monitoring of the
National Anti-Corruption Action Plan
for 2012-2015”**

(September 2012 – September 2013)

Baku - 2013

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Foreword

This Report covers the results of the monitoring of the National Anti-Corruption Action Plan for 2012-2015. The monitoring focuses on the implementation of the NAP and provides a set of recommendations to the government bodies, commissions and committees, municipalities, state-owned companies etc. The area of focus is the progress in implementation of each of the 28 groups of measures that are mentioned in the plan.

The results show that a number of agencies have taken certain effort to comply with the plan, but there still remains an opportunity to raise the efficiency of the NAP implementation. According to results of monitoring the average implementation of NAP for 2012 september-2013 September is 34 %.

70 out of 125 components of the plan have more than one responsible agency, which implies overall lack of responsibility of a given agency.

First steps were made to implementation of the actions envisaged in the NAP during the first year after approval of the NAP. The general finding is that there is a need for more efforts to achieve more effective and practical results. The monitoring process showed that the governmental agencies make very slow steps for fulfillment of their duties related to the implementation of the NAP. Analysis of the NAP displays that time-wise the main part of the implementations of the actions falls on 2013 and 2014. 2013 can be conditionally considered as the implementation start-up year. And the main parts of the actions should be completed in 2014. Based on the results of the monitoring we can say that delays in the implementation occurred in 2013 may negatively effect the implementation pattern in the following years. In turn, this may create serious obstacles for overall successful implementation of the NAP.

The notable fact during the monitoring of the NAP implementation was slow dynamics in the implementation of the activities planned to complete in 2013. Many of the surveys conducted during the monitoring discovered that the activities planned to complete in 2013 are still going on. However, it must be taken into account that very little time remains before the end of the year and the governmental bodies responsible for their implementation must use the time maximum efficiently. If the current dynamics is kept as it is now, about 40% of the planned activities will be completed by 60-70%.

It is also notable that the coordination between the governmental bodies on the implementation of NAP is not sufficient.

There is very low dynamics and progress in anti-corruption actions in the high corruption risk areas such as public procurement, conduct of tenders, urban-planning and construction, auctions, transactions with real estate.

At the same time, lack of notable actions related to organization of anti-corruption education courses in higher and secondary education institutions, extended courses and education centers should also be stressed.

One can also note delays in conduct of certain preventive anti-corruption actions and a number of actions designed in the NAP for reduction of corruption risks.

One of the important focus points is sluggish introduction of e-services in the high corruption risk areas.

There is a need for the Anti-Corruption Commission to undertake serious monitoring and analysis of the NAP implementation.

On the positive side, one should note hiring of teachers and doctors through centralized software test and interview system, and dissemination of advance information on vacancies in the websites and press organs. Also more regular public dialogues with civil society and extended public outreach in comparison with previous years should be noted.

Introduction of electronic records management of public services, submission of reports on code of conduct, development of draft Code on Civil Service, and the steps made towards improvement of the integrated register of entrepreneurship entities can be evaluated as progress.

At the same time, other significant step in improvement of the entrepreneurship environment is development and submission by the President of the Republic of Azerbaijan to the Parliament the Draft Law of the Republic of Azerbaijan “On Regulation of Inspections in the Entrepreneurship Area and Protection of Entrepreneurs Interests”, and its approval in third reading.

Progress in development of the rules for conduct of anti-corruption expertise of draft legal acts should be considered as another laudable fact.

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Goal of the monitoring

The goal of the present monitoring is to provide all the stakeholders independent point of view on how well all parties are performing in terms of the NAP implementation. The monitoring team described the progress and weaknesses in the implementation of each of the 124 observed components of the plan and provided a set of recommendations that would allow to more efficiently deal with the problem of corruption in Azerbaijan.

About the NAP

The National Anti-Corruption Action Plan for 2012-2015 was adopted by the Order of the President of the Republic of Azerbaijan on September 5, 2012. The National Action Plan (NAP) consists of 125 actions that need to be taken by various government agencies, municipalities, state-owned companies and other stakeholders. The actions are grouped into 28 streams. The monitoring mostly focuses on the status of implementation of the actions that were scheduled for 2012 and 2013. The National Action Plan envisages completion of 2 actions in 2012 and 48 actions in 2013. First steps were made to implementation of the actions envisaged in the NAP during the first year after approval of the NAP. The general finding is that there is a need for more efforts to achieve more effective and practical results. The monitoring process showed that the governmental agencies make very slow steps for fulfillment of their duties related to the implementation of the NAP. Analysis of the NAP displays that time-wise the main part of the implementations of the actions falls on 2013 and 2014. 2013 can be conditionally considered as the implementation start-up year. And the main parts of the actions should be completed in 2014. Based on the results of the monitoring we can say that delays in the implementation occurred in 2013 may negatively effect the implementation pattern in the following years. In turn, this may create serious obstacles for overall successful implementation of the NAP.

The notable fact during the monitoring of the NAP implementation was slow dynamics in the implementation of the activities planned to complete in 2013. Many of the surveys conducted during the monitoring discovered that the activities planned to complete in 2013 are still going on. However, it must be taken into account that very little time remains before the end of the year and the governmental bodies responsible for their implementation must use the time maximum efficiently.

Number of actions	2012	2013	2014	2015
2	■			
13	■	■		
1	■	■	■	
11	■	■	■	■
36		■		
38		■	■	
1			■	
4		■	■	■
19	■	■	■	■

Chart 1: The NAP Activities grouped by year of implementation

The methodology

The Methodology is designed to evaluate the status of implementation of each action included in the National Action Plan on 125 categories based on the information received from three types of sources:

1). A desk research of open sources (news, official reports, legal acts and other publicly available information) was conducted in order to evaluate the progress of each component's implementation. According to the methodology, experts should give certain points on the progress of implementation based on evidences. Depending on the information collected from the open sources, the following one of the following scores was attributed to each component: no progress – 0 points; available evidence on certain progress – 1 point; clear evidence on implementation of concrete action – 2 points; clear evidence of great progress supplied by extra efforts of the agency that ran ahead of the plan - 3 points.

2). A number of inquiries were sent to the public agencies where applicable in order to assess their performance. Based on the data acquired from the agencies, the general approach was to rate the progress by attributing a score from 0 to 3, where 0 stands for no progress or no answer, and 3 means that the task was definitely and thoroughly fulfilled. Overall, 155 inquiries were submitted. 100 of them were answered, which accounts for 64.5 per cent.

3). The same scoring pattern was applied to the data acquired from NGO surveys. Achievements of concrete results were scored with 3 points in evaluations of a number of activities. For example, in addition to the above-indicated scoring, 3 points were given for “development, approval and bringing to effect the rules” during the evaluation of the activities related to “development of the rules for anti-corruption expert examination of draft legal acts”. That is, the monitoring may discover that the rules have been discussed, drafted, mass media is informed about them and NGOs are aware of them. In such case, the implementation of activities is given the highest scores – 6 points. If the rules have been approved and came to force, there is public information on this in the open information sources, and NGOs are informed, then such intervention may be scored with 9 maximum points. That is, concrete result is evaluated in such case. At the same time, the methodology includes indicators for evaluation of the scope of implementation of certain actions.

Overview of the monitoring results

Out of the 125 components that constitute the NAP, 124 were subject to assessment in 2013. One component, wordily 2.3, was excluded from the monitoring, as its implementation is scheduled for 2014. The weightiest stream, that is the stream that included eight components was “14). Improvement of State Acquisitions and increase of transparency”, followed by three streams consisting of 7 components each: “12). Improvement of suitable environment for entrepreneurship activities”, “21). Improvement of management mechanisms in educational institutions” and “25). Improvement of management mechanism in the field of labor and social welfare”. The full data is available in Table 1 of Appendix 1.

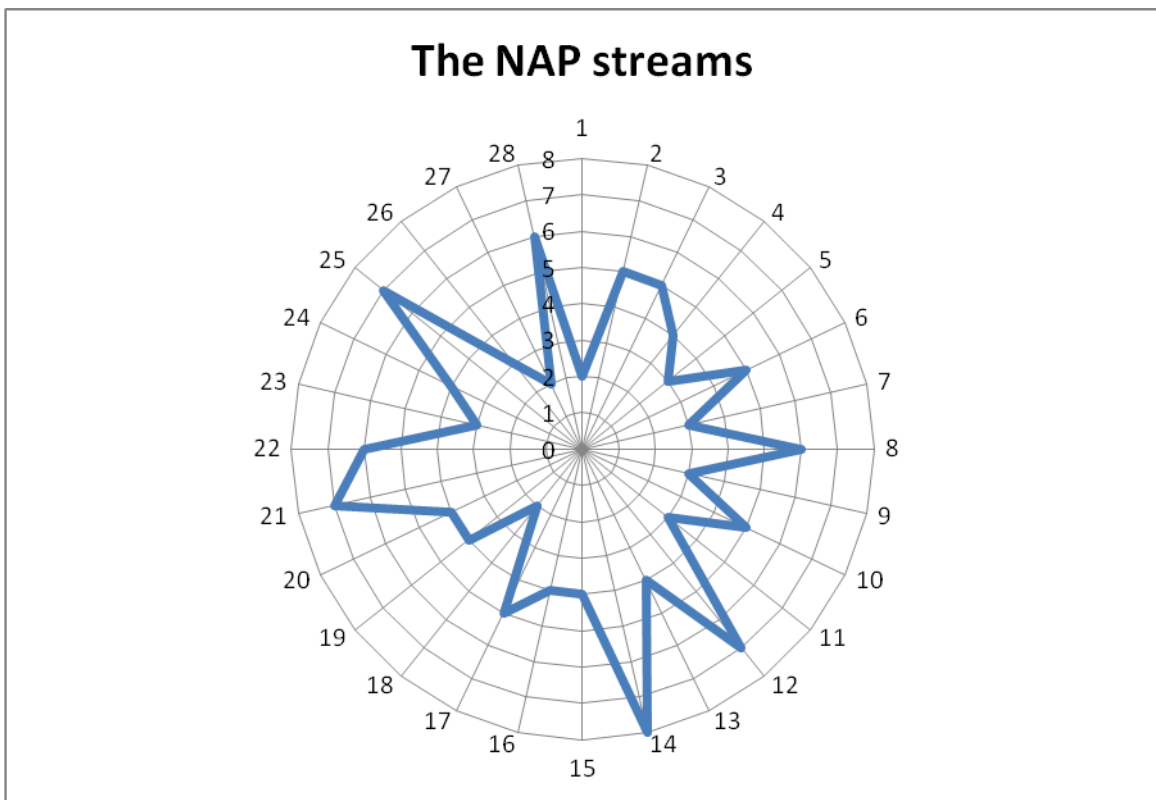


Chart 2: Number of actions in each stream of the NAP

The aim of the monitoring team was to evaluate progress that was achieved in implementation of each of these 28 directions. Chart 3 displays the observed progress in implementation of the National Anti-corruption plan.

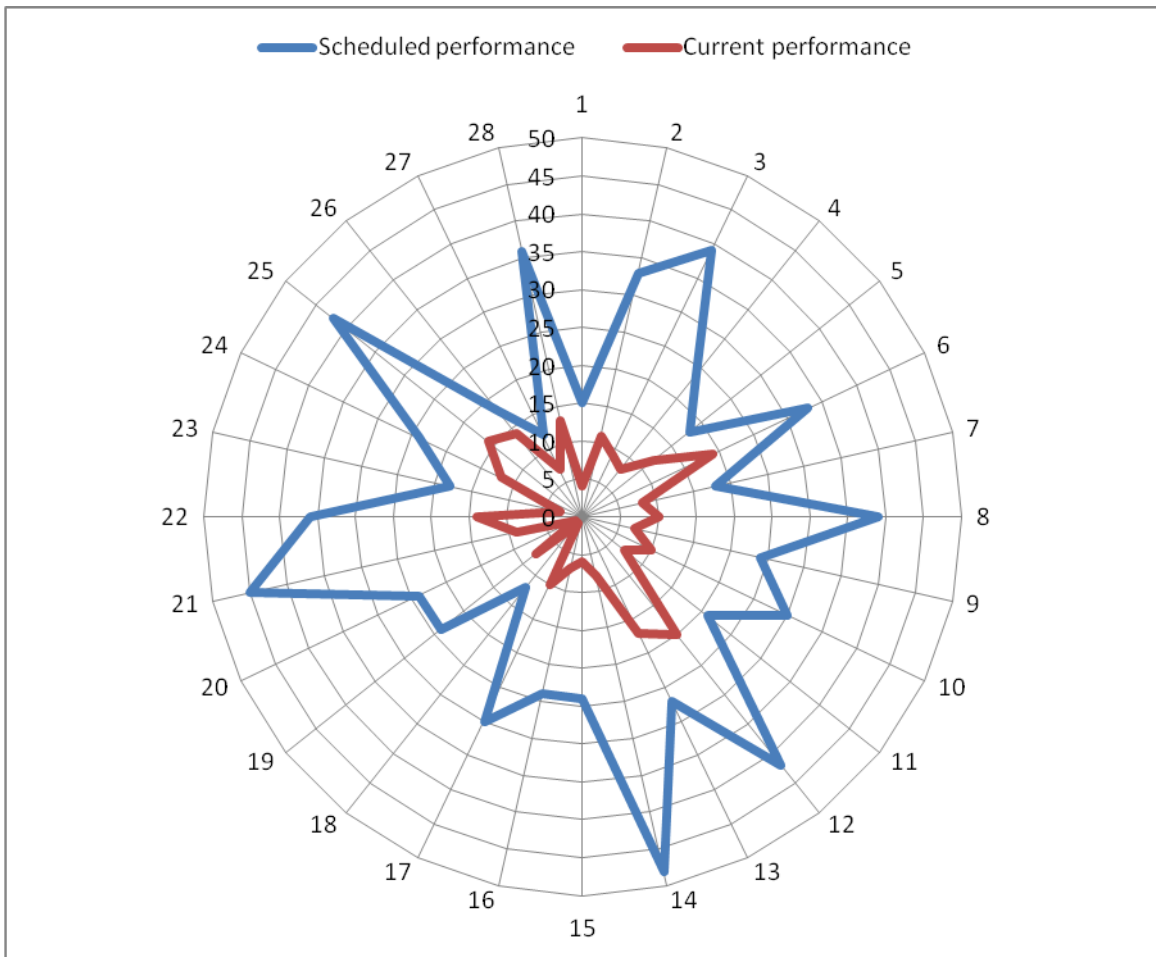


Chart 3: Current vs. scheduled performance.

The blue curve, like in Chart 2, indicates the number of components that each of the 28 streams contains. The red line indicates the progress in implementation of each component. The closer is the inner (red line) to the outer (blue) line, the better is the performance of the corresponding stream.

In order to illustrate the relative progress in each stream's implementation graphically, we use Chart 4, which regards the total planned performance of each component as 100% (outer bound), and provides the progress as a percentage of the total scheduled performance.

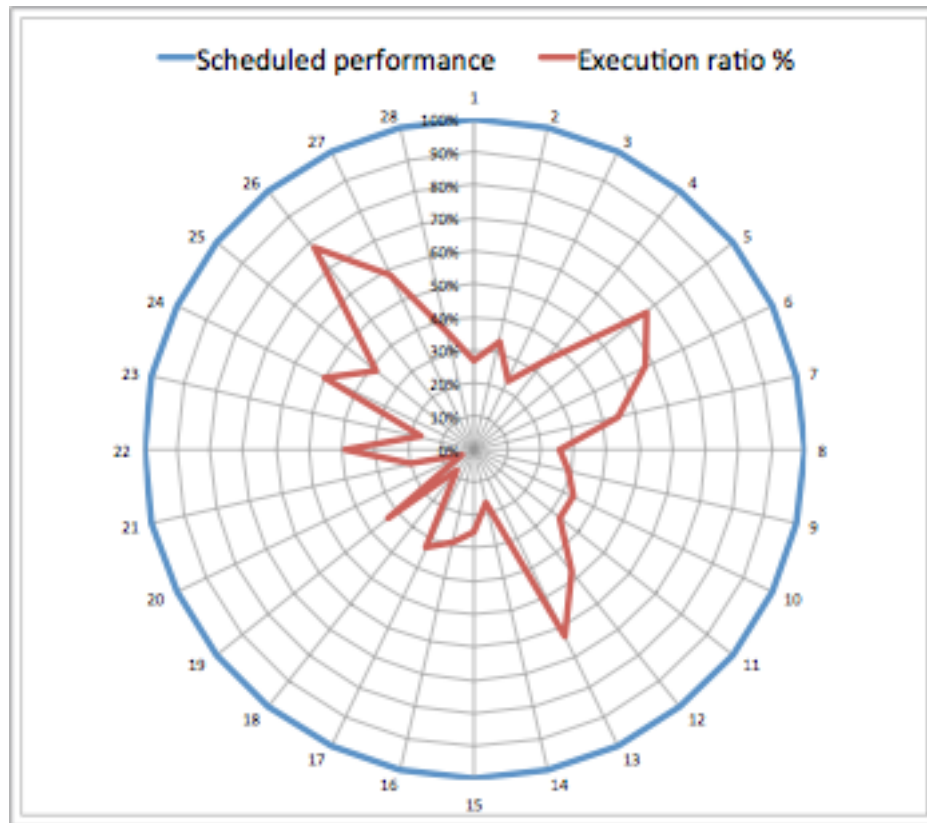


Chart 4. Execution ratio of each stream, %.

As seen from Chart 4, the most advances were made to “26. Development of international cooperation in the field of combating corruption” and “5. Improvement of the activities of the Administration for Combating Corruption attached to the General Prosecutor’s Office of Azerbaijan Republic”. The slowest-developing groups of tasks are “20. Improvement of city planning and construction legislation and administrative management in this field” and “18. Increase of transparency in the privatization process”. Table 2 of Appendix 1 summarizes the data.

Out of 124 activities surveyed, only 55 had one party responsible for their implementation. The other 69 had multiple responsible parties. The average number of responsible agencies across the sample was as high as 1.88. The items that had one party responsible are more likely to be implemented than those that fall under several agencies’ responsibility. For the former group of tasks the average implementation accounted for 40.9 per cent, while for the latter it constituted 30.5 per cent.

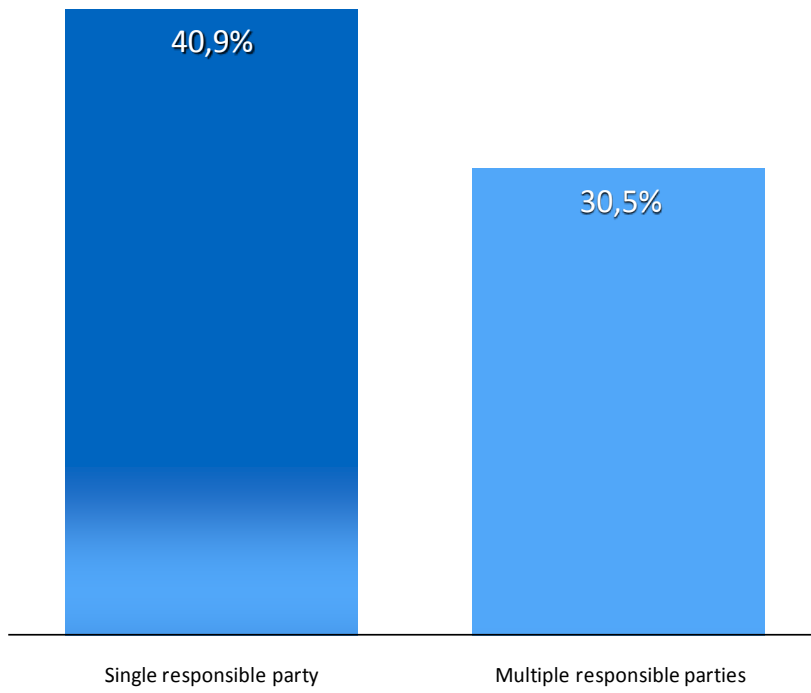


Chart 5: implementation progress by number of responsible parties.

Status of implementation of the NAP components

This section of the report describes in detail the progress in implementation of each stream in 2012-13, component by component. According to the methodology, each component is assigned a score on a six or nine-point scale depending on the availability of applicable sources.

1. Improvement of the anti-corruption legal framework. Stream score - 4 out of 15 (27%)

1.1 Specification of the rules for evaluation of the legal regulation impact. Implementer - *Cabinet of Ministers, Ministry of Justice, Ministry of Economic Development, Ministry of Finance* - 2013.

The Ministry of Justice answering the inquiry stated that the implementation of this item was presently going, since its full implementation is planned for 2013. Discussions are continued with other implementers of the task. The Ministry of Finance gave similar answer. 1 out of 6 points are given to this item.

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

In response to the inquiry, the Ministry of Justice stated that it has been developed draft rules for anti-corruption expert examination of legal-normative acts. Presently the document goes through agreement process. 3 out of 9 points is given to this task.

2. Improvement of consideration of appeals and complaints. Stream score - 11 out of 33 (33%)

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

In response to the inquiry, the General Prosecutor's Office stated that 161- hotline call center has been provided with modern technical equipment, linked to other hotline services different governmental agencies, and special software has been developed by the Legal Support and Information Office of the General Prosecutor's Office for data registry. 3237 calls were

made to 161 Hotline within the period of 01.01.2013-30.06.2013. 2845 of the calls were initial, and 392 calls were repeat ones¹. 5 out of 6 points are given to this task.

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

In response to the inquiry, the Ministry of Justice stated that the implementation of this item was presently going, since its full implementation is planned for 2013. The Anti-Corruption Commission gave the similar answer. 0 out of 6 points to this task.

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

In response to the inquiry the General Prosecutor's Office stated that: The work on development of the draft law on informers of corruption cases (the Whistleblower Law) and the draft laws on making amendments and additions to the existing laws with regard to this issue is continued². The Anti-Corruption Commission gave the similar answer. 2 out of 9 points to this task.

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

In response to the inquiry, the Ministry of Justice stated that the implementation of this item was presently going on, since its full implementation is planned for 2013. The Anti-Corruption Commission and the General Prosecutor's Office gave the similar answer. 1 out of 9 points to this task.

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

There are 29 central executive bodies in the Republic of Azerbaijan. The websites of each of these State bodies have information on citizen reception days, hours and the names of the persons who receive the citizens, as well as telephone numbers for getting appointment. At the same time, there are 85 local executive bodies (ExComs). The websites of these 77 ExComs have information on citizen reception days, hours and the names of the persons who receive the

¹<http://www.aznocorruption.az/az/news/1023-azrbaycanda-bu-ilin-birinci-yarsnda-qeyd-alnan-korrupsiya-cinaytlrinin-statistikas-aqlanb.html>

²<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

citizens, as well as telephone numbers for getting appointment. Along with this, information on the schedule of monthly receptions of citizens of towns and districts by the heads of ExComs in 2013 is publicized through media outlets³. Media outlets also regularly inform the general public about mobile receptions of the heads of the central executive bodies.

Audit Chamber: Direct in-person reception of citizens by the leadership and structural divisions' managers of the Audit Chamber is carried out based on a set working schedule. The Audit Chamber conducted meetings and individual discussions in the regions related to audit development problems.⁴ **Ministry of Taxes:** In 2012, management of the Ministry of Taxes received 156 citizens and mobile reception of citizens took place in Shirvan city (belonging to the Territorial Tax Office #5).⁵

MES: Kamaledin Heydarov, the Minister of Emergency Situations received residents of Yevlakh, Mingachevir and Naftalan cities, and Goranboy, Goychay, Ucar, Zardab, Kurdemir and Agdash districts on August 23.⁶

We couldn't get any detailed information on the number of citizens received by officials of the central and local executive bodies in January-August 2013. 3 out of 6 points to this task.

I.6. Improvement of electronic receipt and official responding to complaints and appeals. Implementer: central and local executive bodies – 2013-2014.

All 29 central executive bodies and 84 out of 85 local ExComs receive electronic appeals from citizens via their websites. Electronic receipt of complaints and appeals are currently carried out in accordance with the Law of the Republic of Azerbaijan "On Consideration of Complaints and Appeals" and "The Rules for Record-keeping of Suggestions, Complaints and Appeals of the Citizens by the State Bodies, Offices, Organizations and Enterprises" approved by the Decree #52 of the President of the Republic of Azerbaijan, dated December 29, 1998. However, these rules do not include provisions on electronic consideration of citizens' suggestions, complaints and appeals. Citizens' appeals are received and recorded electronically. They are answered in accordance with the Rules mentioned above. No integrated rules and procedures have been developed regarding electronic receipt, recording of and official answering to citizens' appeals. Central and local executive bodies handle them on individual basis. For example, receipt and recording of citizens' complaints and appeals by the State Property Committee (SPC) are carried

³ <http://news.milli.az/society/175386.html>

⁴ <http://www.audit.gov.az/index.php?type=content&subid=4&cid=4>

⁵ http://vn.taxes.gov.az/qanun/dovlet_programi/korrupsiyaya_qarsi.pdf

⁶ <http://xalqqazeti.com/az/news/social/37235>

out through the Automated Selective Dissemination of Information Service (ASDIS) developed within the World Bank's Real Estate Registration Project⁷.

In response to the inquiry, the Audit Chamber stated that control over electronic receipt, register of and official responding to complaints and appeals is arranged in proper manner and the service is being improved.⁸ Communication and Information Technology Ministry received 780 appeals in January-July 2013 and each of the appeal has been responded.⁹ MES, Ministry of Taxes, Ministry of Ecology and Natural Resources, State Customs Committee gave the similar answer.

It was impossible to get any information on implementation of the works on development of integrated rules and procedures for electronic receipt, registration of and official responding to complaints and appeals.

1 out of 6 points.

3. Improvement of the criminal prosecution legislation. Stream score - 9 out of 39 (23%)

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

In response to the inquiry, the Ministry of Justice stated that draft laws on the rules for application of criminal-legal measures to legal entities have been developed and submitted to the relevant structures. There is no public information about this. The General Prosecutor's Office gave the similar answer. 2 out of 9 points to this task.

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

In response to the inquiry, the General Prosecutor's Office stated that the works on development of proposals on limitation of corruption-related immunity of judges and drafting laws on amendments and additions to the legislation with this regard are continued. Ministry of Justice gave the similar answer. 2 out of 9 points to this task points to this task.

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

In response to the inquiry, the General Prosecutor's Office stated that the works on development of proposals on improvement of effectiveness of investigative and search actions,

⁷ <http://www.ictnews.az/read.php?lang=1&content=20843>

⁸ http://www.audit.gov.az/uploads/Emr_39.pdf

⁹ <http://agahmedia.com/2013/08/20/az%C9%99rbaycanda-elektron-xidm%C9%99tl%C9%99rin%C9%99-%C9%99n-chox-muraci%C9%99t-edil%C9%99n-dovl%C9%99t-qurumlarinin-reytinqi/>

and draft laws on amendments and additions to the anti-corruption legislation are continued¹⁰. 3 out of 9 points to this task.

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

The General Prosecutor's Office: The works on improvement of protection of corruption witnesses and the persons cooperating with the bodies undertaking criminal prosecution measures, and drafting laws on amendments and additions to the relevant laws are continued¹¹. The Ministry of Internal Affairs gave the similar answer. 1 out of 6 points to this task.

3.5 Development of proposals on inclusion of plea bargain on corruption crimes in the criminal procedures legislation. Implementer: *General Prosecutor's Office* - 2013-2014
The General Prosecutor's Office: Works on inclusion of plea bargain on corruption crimes in the criminal procedures legislation and making relevant amendments and additions to the legislation are continued¹². 1 out of 6 points to this task.

4. Improvement of the activity of the Anti-Corruption Commission of the Republic of Azerbaijan. Stream score - 8 out of 24 (33%)

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

The Anti-Corruption Commission informed that the appeals entered to the Commission are referred to the Anti-Corruption Department (ACD). It was also informed that since the Commission does not have authorities to undertake investigation in this sphere, the mentioned appeals are referred to ACD. Although ACD submits semi-annual and annual reports, no separate information is publicized on the number of received appeals and measures taken with their regard. 3 out of 6 points to this task.

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

The Anti-Corruption Commission stated that NAP envisages a monitoring mechanism. All State bodies responsible for implementation of the Action Plan will submit progress reports

¹⁰<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

¹¹<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

¹²<http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

by the end of year. After reviewing the reports the Commission will conduct monitoring involving CSIs. CSI reports and researches will also be used. 3 out of 6 points to this task.

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

Anti-Corruption Commission: No works have been done in this area yet. 0 out of 6 points to this task.

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

According to the information provided by the Ministry of Finance, the Ministry reviews the request from the Secretariat about the inclusion of funds for its maintaining and technical capacity improvement in 2014 State budget. No public information is available. The Anti-Corruption Commission and the Cabinet of Ministers provided similar answer. 2 out of 6 points to this task.

5. Improvement of the activity of the Anti-Corruption Department of the General Prosecutor's Office of the Republic of Azerbaijan. Stream score - 12 out of 18 (67%)

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

In response to the inquiry, the General Prosecutor's Office stated that draft legal-normative acts for provision of real time usage of the State bodies' electronic information resources by the Anti-Corruption Department of the General Prosecutor's Office of the Republic of Azerbaijan have been submitted to the Cabinet of Ministers of the Republic of Azerbaijan. The State Agency for Services to Citizens and Social Innovations under the President of Azerbaijan provided similar answer. 3 out of 6 points to this task.

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

The General Prosecutor's Office informed that the Plan of Actions of the General Prosecutor's Office of the Republic of Azerbaijan, developed in connection with the National Action Plan, has been approved by the relevant order of the General Prosecutor's Office, received feedback and tasks during the extended operational meeting under the General

Prosecutor on January 8, 2013, and the objectives of the Plan were identified¹³. 5 out of 6 points to this task.

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

The General Prosecutor's Office informed that an Expert Group with departmental authorities has been established for provision of specialized advices and recommendations to prosecutors and investigators based on preliminary investigation materials and criminal cases related to finances, accounting, banking, loans, science, technics and other professional areas, also conducting revisions and development of opinion based on the revisions, as well as for the purpose of managing the Integrated Database of corruption-related crimes.¹⁴ 4 out of 6 points to this task.

6. Preventing money laundering and strengthening the institutional mechanisms in this area. Stream score - 19 out of 33 (58%)

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

The Financial Monitoring Service stated that development of proposals for acceding of the Republic of Azerbaijan to Council of Europe's Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism occurred during February and January of the current year. The drafted legal-normative acts have been submitted to the Cabinet of Ministers of the Republic of Azerbaijan for agreement¹⁵. 5 out of 6 point on this task.

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

The Financial Monitoring Service informed that currently the work on development of the draft legal-normative acts on dispossessed asset recovery is being continued.¹⁶ Initially the practices of the countries like Germany, Lichtenstein, Switzerland, UK and the United States have been studied. Presently the applicability of the best practice to the national legislation is

¹³<http://www.aznocorruption.az/az/news/842-ba351-prokuroru-yan305nda-korrupsiyaya.html>

¹⁴<http://news.lent.az/news/66453>

¹⁵http://www.fiu.az/images/documents/az/fealiyyet_planlari/mmx_korrupsiyaya_qarshi_milli_fealiyyet_plani.pdf

¹⁶Financial Monitoring Unit

being analyzed. The Ministry of Justice and the General Prosecutor's Office provided identical answer. 3 out of 6 points to this task.

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

The Financial Monitoring Service stated that the subject rules adopted by the Financial Monitoring Service have been shared with other State bodies as a model. On February 2013, a round-table discussion has been held in the administrative building of the Financial Monitoring Service with representatives of the supervising entities and exchange of opinions on the monitoring rules and in general, effectiveness of the supervision mechanism took place during the discussion. 2 out of 6 points to this task.

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

The Financial Monitoring Service initially did some research for implementation of its task related to creation of an integrated statistical database. Within the research, methods of FATF, MONEYVAL and OSCE, as well as financial monitoring experience of some countries related to design of the subject database were studied. Based on these researches, new statistical table form reflecting the relevant information and guidelines have been developed. The activity on creation of the integrated statistical database is being carried out in cooperation with the relevant State bodies. Thus, joint discussions with representatives of the General Prosecutor's Office, Ministry of Internal Affairs and Ministry of National Security have been held in the administrative Office of the Financial Monitoring Service in April 2013. Suggestions put forward during these discussions were taken into account in the draft guidelines and the draft was submitted to the relevant bodies. Discussions on creation of the database have also been held with experts of the World Bank, IMF and OSCE¹⁷. The Ministry of National Security and the General Prosecutor's Office provided similar answer. 3 out of 6 points to this task.

6.5 Development of draft legal-normative acts on regulating the activity sphere of pawnshops and the physical persons and legal entities providing intermediary services on purchase and sale

¹⁷http://www.fiu.az/images/documents/az/neshrler/icra_hesabati_tedbirler_plani_antikorrupsiya.pdf

of real estate in accordance with the Civil Code of the Republic of Azerbaijan. Implementer: ***Financial Monitoring Service, Ministry of Justice*** – 2013.

Financial Monitoring Service: Draft changes to legal-normative acts for licensing of activities of pawnshops in accordance with provisions of the Civil Code have been developed. Thus, draft laws, decrees and orders have been developed for making changes to the Law “On the State Fees”, to the “Guidelines on issuance of special permission (license) for some activities in the Republic of Azerbaijan” approved by Decree #782 of the President of the Republic of Azerbaijan dated September 2, 2002, and to the Order #174 of the Cabinet of Minister of the Republic of Azerbaijan (November 1, 2012) “On the additional rules required for special permission (license) depending on the type of activity”. Presently the drafts are being agreed. The draft Law “On Realtors” has been drafted taking into consideration practices of several other countries related to regulating of activities of the physical persons and legal entities providing intermediary services on purchase and sale of real estate, and submitted to the Ministry of Justice. The goal of this law is to regulate the realtor activity, to form the public policy in the field and to protect the rights of physical persons and legal entities with regard to carry-out of realtor activity in the Republic of Azerbaijan. The Ministry of Justice gave the similar answer. 6 out of 9 points to this task.

7. Improvement of the legislation and institutional mechanisms on civil service. Stream score - 8 out of 18 (44%)

7.1 Development of drafts for transforming the legislation on civil service to a code.

Implementer: ***Cabinet of Ministers, Civil Service Commission under the President of the Republic of Azerbaijan*** – 2013-2014.

The Civil Service Commission under the President of the Republic of Azerbaijan made presentation of the first draft of the Civil Service Code. The first draft of the Code has been developed within the project jointly implemented by the Commission and the German International Cooperation Organization (GIZ)¹⁸. 6 out of 6 points to this task.

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

¹⁸ <http://az.trend.az/news/society/2135360.html>

The Civil Service Commission under the President of the Republic of Azerbaijan stated that the process of creation of a specialized training center (for delivery of training and education on application of the civil service legislation, code of conduct, conflict of interests and etc.) under the Commission is going on. No public information is available. 1 out of 6 points to this task.

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

The Civil Service Commission under the President of the Republic of Azerbaijan: The works on providing proposals for improvement of the structure and material and technical capacity of the Civil Service Commission under the President of the Republic of Azerbaijan are continued. No public information is available. 1 out of 6 points to this task.

8. Improvement of activities and increase of professionalism of civil servants. Stream score - 10 out of 39 (26%)

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

The Civil Service Commission under the President of the Republic of Azerbaijan: The Civil Service Commission further improved the Civil Service Registry in 2012. The information in the Registry was updated and complemented. As a result of the work done jointly with State bodies, shortcomings detected during functioning of the “Management structure and cadre potential system” were studied and systemized. An innovation is made to the candidate registration process to enable participation in the selection process of those candidates who graduated from their higher education institutions during last six months of 2012, but could not get copy of their graduation document. Thus, candidates graduated in 2012 submit electronic application to the Commission that contains only information on the education institution they graduated from and their specialty. It is expected that proposals on improvement of the mechanisms for competitive and transparent admission to the civil service would be prepared by the end of 2014.¹⁹ 3 out of 6 points to this task.

¹⁹ <http://az.trend.az/news/society/2113583.html>

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

It was impossible to get any information on implementation of this item. No public information is available. 0 out of 6 points to this task.

8.3 Development of the anti-corruption training module by education institutions and centers under the State bodies and organization of education programs related to the mentioned issue (code of conduct, conflict of interests, freedom of information and etc.). Implementer: central executive power bodies, *Civil Service Commission under the President of the Republic of Azerbaijan, Anti-Corruption Commission* - 2013-2014.

In response to the inquiry, the Civil Service Commission under the President of the Republic of Azerbaijan stated that education institutions and centers under the State bodies were currently developing anti-corruption training module and education programs related to the mentioned issue. No public information is available. 1 out of 6 points to this task.

8.4 Adoption of the guidelines for evaluation of activity of civil servants and creation of a special evaluation software system. Implementer: *Civil Service Commission under the President of the Republic of Azerbaijan* - 2013-2014.

In response to the inquiry Civil Service Commission under the President of the Republic of Azerbaijan stated that the guidelines for evaluation of activity of civil servants have been developed. “We involved all state bodies, international experts to this activity and accepted all their suggestions and opinions. We presently are considering them²⁰. 4 out of 6 points to this task.

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

In response to the inquiry, the Civil Service Commission under the President of the Republic of Azerbaijan stated that the works on development of pilot projects on introduction of rotation system in civil service and the related methodical guidelines continue. 1 out of 6 points to this task.

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

²⁰ http://az.azvision.az/Dovlet_qulluqchularinin_fealiyyeti_qiyetlendirilib_-7307-xeber.html#.Uibbxjblb5M

The Ministry of Finance stated that thank to the relevant decision on increase of salaries of civil servants the financial provision issues are solved. Service (tariff) salaries of military servants, high ranking officials and civil non-public servant employees of the Penitentiary Service and Head Medical Department of the Ministry of Justice of the Republic of Azerbaijan has been increased for 10% average.²¹ 1 out of 9 points to this task.

9. Preventing conflict of interests and submission of financial statements. Stream score - 7 out of 24 (29%)

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

The Anti-Corruption Commission stated that draft law “On Conflict of Interests” had been developed. At the same time, provisions to prevent conflict of interests are included in the laws of the Republic of Azerbaijan “On Code of Conduct for Civil Servants” and “On Civil Service”. 4 out of 9 points to this task.

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

The Anti-Corruption Commission: Trainings on prevention of conflict of interests are organized. 1 out of 6 points to this task.

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

The Anti-Corruption Commission stated that Constitutional Research Fund has drafted the template of the financial statements to be submitted by officials and presented it to the Commission. The work on proposals is continued. 2 out of 9 points to this task.

10. Improvement of code of conduct. Stream score - 10 out of 30 (33%)

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

The Civil Service Commission under the President of the Republic of Azerbaijan stated that the employees of the Commission delivered trainings on the process of cadre selection to civil service, code of conduct for civil servants, human resources management, and had discussions with the participants on the civil service-related legislation. These trainings and discussions took place during short-term specialized extended courses organized by the Public

²¹<http://anspress.com/index.php?a=2&lng=az&nid=221625>

Administration Institute for high ranking civil servants on June 18-29.²² 1 out of 6 points to this task.

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

The Civil Service Commission under the President of the Republic of Azerbaijan stated that on February 7 2013, the Civil Service Commission under the President of the Republic of Azerbaijan organized a round-table discussion on the Commission’s annual report and the annual report on the code of conduct issues. Representatives of domestic NGOs and independent experts participated in the round-table discussion.²³ At the same time, reports of the Commission are regularly (annually) posted on the web-site of the agency and media is informed about it.²⁴ 5 out of 6 points to this task.

10.3 Defining effective mechanisms for investigation of complaints related to violation of code of conduct. Implementer: *central and local executive bodies, Civil Service Commission under the President of the Republic of Azerbaijan* – 2013-2014. It was not possible to get information on the measures envisaged under this item. 0 out of 6 points to this task.

10.4 Creation of a special section on code of conduct in the websites of State bodies (electronic complaint mechanism on violations of code of conduct, ethic rules, ethic report and etc.). Implementer: *central and local executive bodies* - 2013

A special section on ethics issues have been technically developed in the websites of the Audit Chamber, Ministry of Taxes, Ministry of Health, MES, Ministry of Ecology and Natural Resources, State Customs Committee, Ministry of Internal Affairs. Websites of all 29 central executive power bodies have the “Code of Conduct” sections, and websites of 77 out of 85 local executive power bodies can receive complaints about violations of ethical rules in general manner. The report on violations of code of conduct is publicized by the Civil Service Commission in a centralized manner. 3 out of 6 points to this task.

²² <http://sia.az/az/news/culture/323339>

²³ <http://xalqgazeti.com/az/news/social/30544>

²⁴ <http://az.trend.az/news/society/2116060.html>

10.5 Defining the education module and minimum terms for teaching the code of conduct, organizing trainings on this topic. Implementer: *Anti-Corruption Commission, Civil Service Commission under the President of the Republic of Azerbaijan* - 2013.

The Anti-Corruption Commission stated that the works on defining the education module and minimum terms for teaching the code of conduct, organizing trainings on this topic is continued. The Civil Service Commission under the President of the Republic of Azerbaijan provided similar answer. 1 out of 6 points on this task.

11. Improvement of municipalities' activities. Stream score - 7 out of 21 (33%)

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

The Ministry of Justice stated that draft amendments to the Law of the Republic of Azerbaijan "On the Rules for Conduct of Competition for Admission to Municipality Staff" and submitted to the Head Legislative Office for consideration. 3 out of 9 points on this point.

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

The Ministry of Justice stated that regional courses have been organized for municipal staffers and servants with participation of the Justice Academy and regional justice departments. 15 education courses have been organized jointly by Justice Academy and the Public Administration Academy, and 807 people participated in these courses. 2 out of 6 points to this task.

11.3 Development of code of conduct for municipal servants. Implementer: *municipalities, Ministry of Justice* - 2013.

Ministry of Justice stated that the Law "On Code of Conduct of Municipal Servants" has been drafted and submitted to the Head Legislative Department for consideration. 2 out of 9 points to this task.

12. Improvement of the favorable environment for entrepreneurship activities. Stream score - 20 out of 42 (48%)

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

The Ministry of Economic Development: In accordance with Item 6 of Decree #790 of the President of the Republic of Azerbaijan dated September 28, 2002, representatives of the Ministry were involved in the inspections conducted in entrepreneurship entities by the State bodies (except tax authorities), and the main focus was rectification of possible deviations and

protection of the rights of the entrepreneurs. Also, in accordance with Item 11 of the mentioned Decree, during the inspection in the entrepreneurship entities, the records from the Control Book were analyzed, prompt communication mechanism with the entrepreneurs was formed, the information about the bodies and persons who illegally interfere and impede their activities was systemized. The information related to second half of 2011, first and second half of 2012 were included in the letters # İİN-X/O-4843/2012; İİN-X/O-8792/2012 ; İİN-X/O-4876/2013 dated June 18, 2012; November 13, 2012 and June 12, 2013 respectively, and were submitted to the President of the Republic of Azerbaijan. Along with this, large scope activities have been implemented in the field of the State support to development of entrepreneurship in the first half of 2013, as well as the entrepreneurship entities were issued the Control Book 21395 in January-June 2013 and promotional activities in this area is continued. Also, the complaints on obstructing the activities of entrepreneurs submitted to the Ministry were regularly considered, in case of necessity on-the-spot inspections were conducted, as well as complaints of entrepreneurs were received and appeals were answered by the Call Information Center²⁵. 2 out of 6 points to this task.

12.2 Development of the integrated registry of the inspections carried out in the entrepreneurship sphere, including automation of information transfer to the registry.

Implementer: *Ministry of Justice, Ministry of Finance* – 2013-2014

The Ministry of Finance stated that funds for maintaining, supervision and internet connection of “the Integrated Registry of the Inspections conducted in the Entrepreneurship Sphere”, which functions under the Ministry of Justice system, are envisaged in the State budget for 2013 based in the suggestions of the Ministry of Justice. The request submitted by the MoJ to the MoF on maintaining of the registry is currently under review. 2 out of 6 points to this task.

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

The Ministry of Economic Development stated that “the Regulations on the form and manner of maintaining of the integrated registry of the inspections conducted in the entrepreneurship sphere” was approved by Decree #383 of the President of the Republic of Azerbaijan on February 15, 2011, and the Integrated Information Registry of the inspections conducted in the entrepreneurship sphere started functioning since May 1, 2011. Registration of the State supervision mechanism in the registry enabled to control the frequency of inspections on a

²⁵ <http://economy.gov.az/media/pdf/Kor2012.pdf>

concrete issue, as well as to inform entrepreneurship entities about inspections in advance and about its conclusions. The integrated portal of the information registration system, that ensures maintaining the registry, its usage, protection of the information placed there, is located in www.yoxlama.gov.az website and is accessed by the inspecting bodies and entrepreneurship entities. Responding to appeals, inquiries, questions and complaints related to the issues under the responsibility of The Ministry of Economic Development and entering the Call Information Center takes place live during the working days (without breaks) from 9 am to 2 pm, and on the shifts base from 2 pm to 6 pm. It is planned to arrange automated voice answering mode during non-working days. 4 out of 6 points to this task.

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

The Ministry of Justice stated that the works on Development of proposals of responsibilities of the inspectors and inspecting bodies in the cases of sanctioning and conduct of illegal inspections, and taking measures on their findings are continued. 1 out of 6 points to this task.

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

The Ministry of Taxes: An automated risk-based selection method for tax audit purposes and related to application of tax-payers risk factor assessment system and for mobile tax inspections is functioning under the Ministry of Taxes system. This method contains 6 selection and one auxiliary model carries out sanctioning and management of inspections through the system. Two risk groups of tax payers have been identified – those having venue and active cash office, but have not passed prompt tax control, and those with facilities with more than 25 m² and having tax payers with 30 thousand manat turnover. Automated selection of the mentioned entities is carried out for conduct of prompt tax control. Creation of a risk assessment system related to in-house tax inspections conducted in the entrepreneurship field and systemization of in-house tax inspections through sanctioning of inspections based on risk assessment, as well automation of development of relevant letters of discrepancy enabled effective application of more than 20 risk criteria developed during in-house tax inspections²⁶.

The Ministry of Economic Development: In order to ensure implementation of Decree #383 of the President of the Republic of Azerbaijan dated February 15, 2011, the Ministry of Economic

²⁶http://vn.taxes.gov.az/qanun/dovlet_proqrami/korrupsiyaya_qarsi.pdf

Development drafted the law “On Regulating the Inspections in the Entrepreneurship Sphere and Protection of Entrepreneurs’ Interests” which defines the goals and principles of inspections in the entrepreneurship sphere, the rules for their organization and conduct, rights, duties and responsibilities of the inspecting bodies and their representatives, and the requirements regarding protection of entrepreneurs’ rights. The draft then was submitted to the President’s Administration and passed the third reading in the Parliament of Azerbaijan. The draft law includes provisions on creation of a risk management system regarding inspections and sanctioning of inspections based on the risk management.²⁷ Ministry of Finance and Customs Committee provided similar answer. 3 out of 6 points to this task.

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

The Presidential Administration informed that the President of the Republic of Azerbaijan had drafted the law “On Regulating the Inspections in the Entrepreneurship Sphere and Protection of Entrepreneurs’ Interests” and submitted it to the Parliament of Azerbaijan. The draft law has been accepted by the Parliament. 6 out of 6 points to this task.

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

In response to the inquiry, the Central Bank stated that constant discussion were held with experts of leading banks and international card organizations on development of electronic banking. Researches show that conduct of various events with participation of banks for increasing non-cash operations and broadening of introduction of innovations in financial mediation, and rewarding of the banks based on their evaluation and progress in these areas is very important. Taking into account the above-mentioned, it is planned to evaluate banks based on their achievements on increasing non-cash operations and broader usage of modern banking technologies and to reward the champion banks on annual basis.²⁸ 2 out of 6 points to this task.

13. Improvement of audit services. Stream score - 17 out of 27 (63%)

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

²⁷ <http://economy.gov.az/media/pdf/Kor2012.pdf>

²⁸ <http://www.nba.az/standalone/nagdsz-dnilr-zr-nominasiya>

The Audit Chamber: Introduction of IAS started since 2010 and current joint works of the International Federation of Accountants (IFAC) and the Ministry of Finance are continued.²⁹ 6 out of 6 points to this task.

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

The Audit Chamber stated that they finalized the work on the draft concept of development of audit in the Republic of Azerbaijan by 2020.³⁰ 6 out of 6 points to this task.

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

The Audit Chamber: The works for defining mechanisms related to application of administrative responsibility for refraining from mandatory audit are continued.³¹ 3 out of 6 points to this task.

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

A round-table discussion related to implementation of the tasks envisaged in the National Action Plan for Promoting Open Government in 2012-2015 and the National Anti-Corruption Action Plan for 2012-2015 took place in the Audit Chamber on October 12, 2012 with participation of relevant agencies. The discussion topics during the round-table were the following: results of the works done in increase of transparency and improvement of financial control, problems in these fields, directions for legislative improvements, as well as the Law of the Republic of Azerbaijan “On Internal Audit”, specification of authorities of financial control units, prevention of conflict of interests, accountability on ethics and discipline, creation and introduction of electronic control system and etc.³² 2 out of 9 points to this task.

14. Improvement of public procurement and increase of transparency. Stream score - 8 out of 48 (17%)

14.1 Introduction of e-public procurement system. Implementer: *State Agency for Public Procurement, central and local executive bodies* - 2013.

²⁹ <http://www.azerbajjan-news.az/index.php?mod=3&id=16510>

³⁰ <http://www.aztv.az/readnews.php?lang=az&id=10998>

³¹ http://www.audit.gov.az/uploads/2012-2015-ci_illər_Auditorlar_Palatasinin_Aciq_Hokumet_Is_Planı.pdf

³² <http://gun.az/finance/53084>

The State Agency for Public Procurement: Majority of the draft law on amendments to the law “On Public Procurement” are related to organization of e-procurement. 1 out of 6 points to this task.

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

The State Agency for Public Procurement - No available information. 0 out of 6 points to this task.

14.3 Improving control over implementation of public procurement agreements, including the payment on the agreement. Implementer: *State Agency for Public Procurement, Ministry of Finance, Audit Chamber* – 2013-2014. It was not possible to get any information on any work done in this area. 0 out of 6 points on this task.

14.4 Taking relevant actions for undelayable consideration of complaints in order to protect the rights of the bidders participating in the public procurement tenders. Implementer: *State Agency for Public Procurement, central and local executive bodies* – constantly.

The Ministry of Economic Development stated that according to Article 23.2 of the Law of the Republic of Azerbaijan “On Public Procurement”, representatives of the Ministry undertook control over implementation of public procurement actions in compliance with the relevant legislation and no complaints have been received from bidders up to date.³³ The State Migration Service gave similar answer. 1 out of 6 points to this task.

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

The Ministry of Economic Development state that according to Article 23.2 of the Law of the Republic of Azerbaijan “On Public Procurement”, no corruption cases were detected in the public procurement actions where representatives of the Ministry of Economic Development were involved.³⁴ The State Migration Service provided similar answer. 1 out of 6 points to this task.

14.6 Development of a methodology for defining estimated prices during implementation of public procurement actions. Implementer: *State Agency for Public Procurement, central and local executive bodies* - 2013-2014. No available information. 0 out of 6 points to this task.

³³ <http://economy.gov.az/media/pdf/Kor2012.pdf>

³⁴ <http://economy.gov.az/media/pdf/Kor2012.pdf>

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

Procurement plan for 2013 has been posted on the official website of the State Agency for Public Procurement by procurement agencies - see <http://tender.gov.az/new/index.php?inc=62>. 5 out of 6 points to this task.

14.8 Creation of an integrated registry of the procurement agreements concluded through the public procurement procedures and posting the registry on the website of the State Agency for Public Procurement. Implementer: ***State Agency for Public Procurement, central and local executive bodies*** –2013. No available information. 0 out of 6 points to this task.

15. Increasing transparency in maintaining the State Registry of Real Estate. Stream score - 6 out of 24 (25%)

15.1 Development of proposals on simplification of the guidelines for registration of the rights related to real estate. Implementer: ***Cabinet of Ministers, State Property Committee*** – 2013.

The State Property Committee envisages to develop proposals on simplification of the guidelines for registration of the rights related to real estate, reduction of the timeframe needed for this operation, and provision of new electronic services on maintaining the State Registry of Real Estate. Already since May 1, the electronic service has been introduced. These services enable each citizen to submit on-line e-application to his/her territorial registration office for registration of his/her property. Presently citizens are issued references on limitations electronically and requests on registration of the property returning from the secondary market are received electronically as well. It is planned to have electronic systems to register and terminate mortgage agreements and recognize rights under mortgage. About 700 electronic requests have been submitted and executed during May-October.³⁵ 2 out of 6 points to this task.

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

With regard to the electronic services carried out by the State Property Committee in accordance with its authorities, it must be noted that three electronic services (receipt of requests and documents for obtaining information from the State Registry of Real Estate, selling of the confiscated, unowned property, the property transferred to public ownership based on heirship; receipt of requests and documents for issuance of extracts on real estate) identified by the State Property Committee under the List of E-Services, became fully functional by support of

³⁵ <http://wap.azertag.com/wapindex/node/1029204?hl=az>

international projects. The requestors can easily utilize e-services using their electronic signatures.³⁶ Up to date 5356 people used the service. However, very small number of people who obtained e-signature card limits the use of this service. At the same time, e-services established in the Committee enable more e-requesting. But documents are still obtained non-electronically. 2 out of 6 points to this task.

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

The State Property Committee stated that the work on improvement of exchange of information between real estate registration agencies and notary offices is continued. 1 out of 6 points to this task.

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

The State Property Committee informed that the work on broadening exchange opportunities between the State Registry of Real Estate and other information systems (databases, information-search databases, registries and etc.) and provision of data reliability is continued. 1 out of 6 points to this task.

16. Improvement of issuance of licenses, permissions and certification work. Stream score - 7 out of 24 (29%)

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

It was impossible to get information on development of proposals on simplification of terms and conditions for issuance of licenses and permissions. 0 out of 6 points to this task.

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

The Ministry of Economic Development: Total 156057 user, including 11847 users in June, benefited from the Electronic Information Portal on Permissions. 70 foreign countries, including 24 foreign countries in June requested information from the Portal.³⁷ **The Ministry of Education:** software for electronic receipt of application has been developed and it is planned to conduct its pilot test soon. **The Ministry of Ecology and Natural Resources** has e-services established in its official website. **The Communication and Information Technology**

³⁶ <http://www.emdk.gov.az/?/az/news/view/304>

³⁷ <http://e-xidmetler.economy.gov.az/index.php/component/chronoforms/?chronoform=fmetal>

Ministry: has e-services established in its official website. **The State Veterinary Service, MES, State Civil Aviation Administration, Ministry of Education** gave the similar answer. 3 out of 6 points to this task.

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

No available information. 0 out of 6 points to this task.

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

The Ministry of Economic Development: total 120 legislative acts were drafted by 15 central and 1 local executive power body in the period between March 15, 2012 and July 24, 2013, and posted on the section “draft legislation on entrepreneurship field” of the Electronic Information Portal on Permissions³⁸. 4 out of 6 points to this task.

17. Increase of effectiveness of tax control and inspections. Stream score - 10 out of 30 (33%)

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

The works on automation of tax audit selection process and development of selection standards are continued.³⁹ 2 out of 6 points to this task.

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

The works on Establishment of standard indicators system and software for conduct of in-house and mobile tax inspections are continued.⁴⁰ 2 out of 6 points to this task.

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

The works on improvement of providing tax payers with necessary information and of promotional work among tax payers are continued⁴¹. 4 out of 6 points to this task.

³⁸<http://economy.gov.az/media/pdf/Kor2012.pdf>

³⁹ <http://www.bakupost.az/iqtisadiyyat/20121222020035011.html>

⁴⁰ <http://www.bakupost.az/iqtisadiyyat/20121222020035011.html>

⁴¹ <http://taxes.gov.az/>

17.4 Conduct of risk analysis of the provisions in the Tax Code enabling corruption. Implementer: *Ministry of Taxes* - 2013-2014.

The Ministry of Taxes informed that the works on conducting risk analysis of the provisions in the Tax Code enabling corruption are continued. 1 out of 6 points to this task.

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

The Ministry of Taxes informed that the works on presenting proposals on reduction of frequency of submission of tax declarations are continued. 1 out of 6 points to this task.

18. Increasing transparency in the privatization process. Stream score - 1 out of 12 (8%)

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

The works on introduction of electronic management system in preparation of auctions are continued ⁴². 1 out of 6 points to this task.

18.2 Ensuring registration of citizens for auction in real time mode. Implementer: *State Property Committee* – 2013-2014. No available information. 0 out of 6 points to this task.

19. Improvement of the process of collection of customs fees and tariffs. Stream score - 8 out of 24 (33%)

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

An information services on commodity classification has been created on the website of the Customs Committee. An information e-service for calculation of fees for the passenger cars imported to the Republic of Azerbaijan has been created⁴³. 3 out of 6 points to this task.

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

The State Customs Committee stated that all customs offices had been provided with POS terminals and foreign economic actors had been informed about this fact. Currently works are being done on receipt of custom payments through internet and bank services. 2 out of 6 points to this task.

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

⁴² <http://www.emdk.gov.az/?/az/news/view/339/>

⁴³ <http://www.rusum.az/calc3.php>

The State Customs Committee stated that “VAIS”-record-keeping” automated management system had been further improved and the capabilities of the system had been broadened. The Central Mail Server has been installed and Anti-Spam system has been introduced to ensure management of the electronic document circulation and security. 1 out of 6 points to this task.

19.4 Acceleration of commodity turnover on the customs boarder and creation of favorable conditions for entrepreneurship entities. Implementer: *State Customs Committee* – 2013.

The State Customs Committee stated that the works on further improvement of “One-Stop-Shop” principle were continued. The works on further minimizing contacts between customs officers and entrepreneurs during realization of the customs procedures and on introduction of effective control mechanisms to prevent conflict of interests are continued. 2 out of 6 points to this task.

20. Improvement of urban planning, construction legislation and administrative management in this field. Stream score - 1 out of 24 (4%)

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

Introduction of “One-Stop-Shop” principle in issuance of permissions for construction is envisaged in the Urban Planning and Construction Code.⁴⁴ Nevertheless, it was impossible to obtain concrete information on proposals about introduction of “One-Stop-Shop” system. The inquiries remained unresponded. 1 out of 6 points to this task.

20.2 Ensuring transparency and civic participation in urban planning and construction activities. Implementer: *Architecture and Urban Planning Committee, Ministry of Emergency Situations, local executive power bodies, municipalities* - 2013-2014. No available information. 0 out of 6 points to this task.

20.3 Conduct of citizen awareness-raising activities on the requirements of the Urban Planning and Construction Code. Implementer: *Architecture and Urban Planning Committee, Ministry of Emergency Situations, local executive power bodies, municipalities* - 2013-2014. No available information. 0 out of 6 points to this task.

20.4 Presenting proposals on application of principles of e-governments in the urban planning and construction field. Implementer: *Cabinet of Ministers* - 2013. No available information. 0 out of 6 points to this task.

⁴⁴ <http://www.anspress.com/index.php?a=2&lng=az&nid=149045>

21. Improvement of the management mechanisms in education institutions. Stream score - 9 out of 45 (20%)

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

A Virtual Test Center (VTC) has been established in the Azerbaijan Medical University. Since winter session of 2011-2012 academic year, the exams are conducted through the virtual test method. About 250 computers have been installed in VTC's two computer rooms, they are linked into local network and are managed through a single server. More than 1000 students a day can have exams in this center.⁴⁵ The virtual testing system is being piloted in the Azerbaijan Pedagogical University, Construction Architects University, and Medical University.⁴⁶ 1 out of 6 points to this task.

21.2 Increasing effectiveness of consideration of complaints in higher education institutions. Implementer: **Ministry of Education** – 2012-2013. No available information. 0 out of 6 points to this task.

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

Draft code of conduct for the education process actors has been developed within the cooperation of the American Bar Association Central and Eastern European Law Initiative ("ABA CEELI") and the Anti-corruption Working Group of the Ministry of Education⁴⁷. 1 out of 6 points to this task.

21.4 Publication of information on teacher vacancies on the official web-site of the Ministry of Education and in press. Implementer: **Ministry of Education** - constantly.

Information on teacher vacancies is published on the official web-site of the Ministry of Education and in press.⁴⁸ 6 out of 6 points to this task.

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

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

⁴⁵ <http://webcache.googleusercontent.com/search?q=cache:http://www.amu.edu.az/az/pages/2/547>

⁴⁶ http://soft.tusi.biz/ts_general/az/news/tsn-33.htm?mod=print_document&lang=az

⁴⁷ <http://www.edu.gov.az/upload/file/e-xidmetler/standartlar-modeli.pdf>

⁴⁸ <http://www.edu.gov.az/view.php?lang=az&menu=391&id=4084>

academic years. In accordance with the order, the process of hiring teachers in 2013-2014 academic year to the vacancies in general and primary vocational education schools is conducted in a centralized manner, competitively by using software. We couldn't get information on involvement of CSOs as observers in the competition process on the vacancies. 4 out of 6 points to this task.

21.6 Presenting proposals on defining the responsibility for hiring teachers out of competition. Implementer: *Cabinet of Ministers, Ministry of Education* – 2013. No available information. 0 out of 6 points to this task.

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

The Ministry of Education: No available information. 0 out of 6 points to this task.

22. Improvement of management mechanisms in health care. Stream score - 14 out of 36 (39%)

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

The works on accelerating the activities related to introduction of the mandatory medical insurance in the health care system are continued⁴⁹. 1 out of 6 points to this task.

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

The works on delivery of trainings and courses on promoting code of conduct for medical doctors are continued⁵⁰. 1 out of 6 points to this task.

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

Information on medical doctor vacancies is published in the official web-site of the Ministry of Health and in the press.⁵¹ 6 out of 6 points to this task.

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

The Ministry of Health continues the works on ensuring transparent and competitive hiring of medical doctors to vacant positions through tests and interviews.⁵² We failed to obtain

⁴⁹ <http://sehiyye.gov.az/fealiyyetler.html>

⁵⁰ <http://sehiyye.gov.az/fealiyyetler.html>

⁵¹ http://www.sehiyye.gov.az/musabiqe_elanlari.html

⁵² <http://sehiyye.gov.az/fealiyyetler.html>

information related to involvement of CSOs in the tests and interviews, appellate complaints and their consideration. 3 out of 6 points to this task.

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

The Ministry of Health continues the works on presenting proposals on defining the responsibility for hiring medical doctors out of competition.⁵³ 1 out of 6 points to this task.

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

The Ministry of Health informed that the works on salary increase for medical doctors and strengthening their social protection are continued. 2 out of 6 points to this task.

23. Improvement of introduction of corporate management principles in State-owned enterprises. Stream score - 3 out of 18 (17%)

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

The areas of introduction of corporate management principles in State-owned enterprises are studied. After development of final proposals, trainings in this area will be organized.⁵⁴ 1 out of 6 points to this task.

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

The Ministry of Economic Development studies the effectiveness of use of funds by the State-owned enterprises allocated from the State budget, including financial aid.⁵⁵ Ministry of Finance, AZNEFTKİMYAMAŞ OJSC provided similar answer. 1 out of 6 points to this task.

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

State-owned enterprises like **AZNEFTKİMYAMAŞ OJSC**, Azərsu OJSC, Azərenerji OJSC develop annual reports about their activities and place them on their web-sites. However, we failed to obtain statistical information about development of annual reports by other State-owned enterprises, their publication and distribution. 1 out of 6 points to this task.

⁵³ <http://sehiyye.gov.az/fealiyyetler.html>

⁵⁴ <http://economy.gov.az/media/pdf/Kor2012.pdf>

⁵⁵ <http://economy.gov.az/media/pdf/Kor2012.pdf>

24. Improvement of communal service. Stream score - 12 out of 24 (50%)

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

In response to the inquiry, SOCAR stated that as of August 1, 2013, the number of nationwide subscribers supplied with gas reached 1 561 750. 1 542 742 of them are residential and 19008 are non-residential users. According to the information as of August 1, 773 758 "smart-card" counters have been installed in the apartments of residents. It constitutes half of all subscribers.⁵⁶ “Azərsu” OJSC informed that more than 553 000 out of 1 155 000 subscribers serviced by the company have been provided with mechanical and smart-card counters leveling the percentage of supplied people to 48⁵⁷. 3 out of 6 points to this task.

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

SOCAR informed that the gas consumers’ registration database has been integrated to new on-line AGIS – better system than the previous FoxPro software.⁵⁸ “Azərsu” OJSC gave the similar answer.⁵⁹ 4 out of 6 points to this task.

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

In response to the inquiry, SOCAR stated that 205 buildings in 2012 and 145 multi-story buildings in 2013 received technical specification. 31 requests for gasification have been received and satisfied in 2012. 31 requests for gasification have been received and satisfied in 2013.⁶⁰ Baku City Executive Power responded to the inquiry but did not provide the needed information. 4 out of 6 points to this task.

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

In response to the inquiry, the Ministry of Economic Development informed that an event titled “New relations in housing-communal sphere in Azerbaijan” was held in Baku Business

⁵⁶<http://az.trend.az/capital/energy/2177378.html>

⁵⁷<http://azersu.az/News-401>

⁵⁸<http://www.ikisahil.com/index.php/analitika/item/7219-qaz-t%C9%99s%C9%99rr%C3%BCfat%C4%B1nda-m%C3%BCh%C3%BCm-u%C4%9Furlar-%C9%99ld%C9%99-edilmi%C5%9Fdir.html>

⁵⁹http://info.apus.az/?p=1_1

⁶⁰<http://anspress.com/index.php?a=2&lng=az&nid=212028>

Center on April 30, 2013. The event was related to systemizing and improvement of effectiveness of the works in the housing-communal economy and introduction of new management methods for multi-story buildings envisaged by the Housing Code and was attended by representatives of executive authorities and municipalities of Baku and its districts, as well as economy-focused entities being interested in this field. The event was widely covered by mass media outlets, including TV channels and official websites of news agencies. Along with this, meetings with residents of Binagadi district of Baku were held with organizational support of the Executive Power of the district. The meeting's goal was to inform proprietaries with new methods of managing multi-story buildings. The participants of the meetings were informed about the legal basis for creation of condominium of apartment owners, received legal-organizational assistance and were distributed leaflets. In accordance with the Housing Code of the Republic of Azerbaijan, the second edition of the book titled "Collection of Documents on Management Methods of the Housing Fund" has been published in connection with introduction of new methods of managing multi-story buildings. 250 copies of the book have been distributed at the events and meetings held during 6 months. "Methodical guidelines on calculation of labor, service and costs of illuminating for provision of sanitary of the territories of towns (districts) and rules for their application" regulating the labor of the employees working on cleaning and illuminating of roads, parks and alleys of towns and districts and ensuring their labor rights, their registration, and developed for increasing efficiency of their labor on illuminating and cleaning of towns and districts in accordance with the relevant norms, and the final version of the Decision of the Cabinet of Ministers on approval of the Rules has been developed based on opinions and suggestions of the relevant State bodies and are under consideration of the relevant bodies for agreement. After being vetted with the relevant State bodies, the draft will be submitted to Cabinet of Minister of the Republic of Azerbaijan for signature.⁶¹ 2 out of 6 points to this task.

25. Improvement of the management mechanism in the field of labor and social security.

Stream score - 16 out of 42 (38%)

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

⁶¹ <http://economy.gov.az/media/pdf/Kor2012.pdf>

The State Migration Service: during 6 months of 2013, the cases of violation of the administrative legislation by 15579 foreigners and people with citizenship. The Ministry of Labor and Social Protection provided similar answer. 2 out of 6 points to this task.

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

In response to the inquiry, the Ministry of Labor and Social Protection informed that the works on improvement of the situation with consideration of complaints related to social aid programs, delivery of social services, payment of social and unemployment allowances are continued. 2 out of 6 points to this task.

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

In response to the inquiry, the Ministry of Labor and Social Protection stated that the works on delivery of trainings on increasing professionalism of the workers of labor and social protection sphere and on their code of conduct are continued.⁶² 2 out of 6 points to this task.

25.4 Taking relevant measures for approximation of the criteria for identification of disability to international standards. Implementer: *Ministry of Labor and Social Protection* – 2012-2013.

The Ministry of Labor and Social Protection: The works on taking relevant measures for approximation of the criteria for identification of disability to international standards are continued. 3 out of 6 points to this task.

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

In response to the inquiry, the Ministry of Labor and Social Protection informed that the works on presenting proposals on reduction the number of documents necessary for assignment of the targeted social aid and simplification of the procedures for submission of the documents are continued. 3 out of 6 points to this task.

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

⁶² <http://www.hafta-ichi.az/news.php?id=2929>

In response to the inquiry, the Ministry of Labor and Social Protection stated that the works on improvement of the management mechanisms of the social service enterprises are continued. 2 out of 6 points to this task.

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

The Ministry of Labor and Social Protection stated that the works on presenting proposals on creation of a mechanism of assigning the public orders on social service to the specialized enterprises and organizations are continued. Tenders have already been announced for giving orders to specialized NGOs on social services to the children with health limitations. The tender winner NGOs received the corresponding orders and started implementing the projects since 2013. 3 out of 6 points to this task.

26. Development of international cooperation in combating corruption. Stream score - 14 out of 18 (78%).

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

Ombudsman and employees of the Secretariat make speeches in international conferences held in foreign countries and provide information on the activities carried out in our country on protecting human rights, including combating corruption, on the adopted strategic papers and implementation of the requirements coming forward from those papers, as well as have information exchange with foreign experts.⁶³ The Anti-Corruption Commission and General Prosecutor's Office provided similar answer. 5 out of 6 points to this task.

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

⁶³<http://www.ombudsman.gov.az/view.php?lang=az&menu=33&page=1>

The General Prosecutor's Office informed that taking into account the importance of international cooperation in combating corruption, the Office paid special attention to broadening the international cooperation in this filed with specialized international agencies and relevant law-enforcement bodies of other countries. During the reporting period, the international cooperation was broadened within implementation of UN Anti-corruption Convention. Relations with OECD got wider. The anti-corruption actions carried out in our country in recent years in relation with implementation of the recommendations provided by OECD, the current level of the fight against corruption in our country, upcoming institutional reforms and perspectives were discussed during those meetings. Cooperation between GRECO and the Republic of Azerbaijan was successfully continued. Thus, several important steps were made in terms of the implementation of the recommendations mentioned in the 3rd evaluation report of the agency on the Republic of Azerbaijan. Employees of the Anti-corruption Department under the General Prosecutor's Office were constantly focused on implementation of the recommendations and made sure necessary measures are taken with this regard. The Department developed draft legal-normative acts on tacit and full release of the persons who were involved in corruption, but actively informed the authorized bodies on corruption cases from criminal liability⁶⁴. Anti-Corruption Commission, Ministry of Economic Development, Ombudsman Office provided the similar answer. 5 out of 6 points to this task.

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

The Ministry of Taxes: for broadening the cooperation with IACA in 2013, an employee of the Ministry participated in the seminar conducted by the Academy on July 10-11, 2013. It is planned to have IACA representative to participate in the events conducted by the Ministry of Taxes in the near future.⁶⁵ The Anti-Corruption Commission provided similar answer. 4 out of 6 points to this task.

27. Development of cooperation with CSIs on combating corruption. Stream score - 7 out of 12 (58%)

27.1 Involvement of civil society institutions in the implementation of the actions envisaged in the Action Plan. Implementer: **Cabinet of Ministers, Anti-Corruption Commission, central and**

⁶⁴<http://www.genprosecutor.gov.az/?/az/news/view/568/>

⁶⁵<http://xalqqazeti.com/az/news/economy/30921>

local executive bodies, The General Prosecutor's Office, Judicial-Legal Council, Ombudsman –2012-2015.

In response to the inquiry, the General Prosecutor's Office stated that they closely cooperate with non-governmental organizations, including Transparency Azerbaijan, implementing anti-corruption educational and legal assistance programs. Thus, the General Prosecutor's Office cooperated with "Transparency Azerbaijan" within the advocacy and Anti-Corruption Legal Aid Center (ALAC) project, implemented first time in CIS countries with support of ABA CEELI, appeals collected by Transparency Azerbaijan were considered by the Anti-corruption Department and criminal proceedings have been initiated on some cases.⁶⁶ In response to the inquiry, Ombudsman and the Anti-Corruption Commission stated that they closely cooperate with the Anti-corruption NGO Information and Cooperation Network. Joint events and discussions are held. 4 out of 6 points to this task.

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

Ombudsman: Provisions on allocating finances to CSIs are not envisaged in the Constitutional Law of the Republic of Azerbaijan on Ombudsman and in the cost line items of the State budget. Joint projects with CSIs have been implemented.⁶⁷

The General Prosecutor's Office stated that the Memorandum of Cooperation signed between the Anti-corruption Department under the Office of General Prosecutor of the Republic of Azerbaijan and the Anti-corruption NGO Information and Cooperation Network is implemented on various directions. Dissemination of anti-corruption information for formation of intolerance among population towards corruption, implementation of joint awareness-raising projects, including joint development anti-corruption publications and other visual aids of social purpose are the brilliant examples of this cooperation. Employees of the Anti-corruption Department and representatives of the Anti-corruption NGO Information and Cooperation Network take part in discussions on different TV programs organized within "No Corruption" Project. The discussion topics cover situation with corruption in individual fields and joint actions against it.

⁶⁶ <http://jurnal.meclis.gov.az/news.php?id=401>

⁶⁷ <http://www.ombudsman.gov.az/view.php?lang=az&menu=58>

The Department, via AzTV and Public TV, regularly informed the public about its successful investigations and operations, and the course of criminal proceedings on corruption.⁶⁸

CSSN regularly includes fight against corruption in the list of topics for its grant competitions. 1 NGO and 2 NGO coalitions received grant this year to promote and implement educational activities on open government initiative.

In response to the inquiry, the Anti-Corruption Commission stated that the Anti-corruption NGO Information and Cooperation Network is given grants for implementation of various projects and for institutional development. 3 out of 6 points to this task.

28. Anti-corruption education. Stream score - 13 out of 36 (33%)

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

In response to the inquiry, the Anti-Corruption Commission stated that the works on annual evaluation of the status of implementation of the Action Plan and its publication are continued and relevant preparations are made. The related information will be publicized by end of 2103. 4 out of 6 points to this task.

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

The Ministry of Economic Development stated that taking into consideration the importance of transparency and combating corruption, TV spots covering the regional events of the Entrepreneurship Support Fund of the Republic of Azerbaijan related to the State support to entrepreneurship development and activities of the enterprises and entities, as well as activities of the enterprises created at the expense of concessional loans issued by the Fund were broadcast, and employees of the Fund were interviewed by TV and radio channels. Regular issues of the program called “Quality Sign” jointly developed by the Ministry of Economic Development and AzTV, and covering the issues of protection of customer rights, oversight and educational activities undertaken in this direction were broadcast. Additionally, interviews of the Ministry’s officials were organized for “Günün nəbzi” and “Kənd saati” programs of AzTV, “Aktual qonaq” of Khazar TV to talk about the activities related to implementation of State programs, corporative management, e-services provided by the Ministry, the rules for issuance of concessional loans and oversight measures undertaken in the consumer market.⁶⁹ MES, Audit Chamber provided similar answer. 2 out of 6 points to this task.

⁶⁸ <http://www.azerbaijan-news.az/index.php?mod=3&id=26693>

⁶⁹ <http://economy.gov.az/media/pdf/Kor2012.pdf>

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

The Ministry of Taxes: High level of cooperation with mass media outlets has been established to cover the activities of tax authorities and reach out to general public. During the reporting year, 11 press-releases are made to media, 2 interviews of high ranking tax officials were arranged, 43 spots on tax issues were broadcast on national TV channels, 230 articles were published in internet sites and 239 in the central newspapers. Media participated in the ceremony of signing of the agreement "On exchange of tax-related information between the Government of Azerbaijan and the Republic of Argentina", and briefing were arranged for high ranking officials of the Ministry of Taxes on the work for promoting open government. Media representatives were invited to the seminar on "Increase of non-cash operations and broadening the use of POS-terminals". The event was widely covered in media.⁷⁰

In response to the inquiry, MES informed that educational works were done to promote the activities of the State bodies in order to increase public trust towards them and the activities are currently improved.⁷¹

Audit Chamber: Item 6.3 of 2013-2014 workplan of the Audit Chamber envisages publication of audit-related books, textbooks, materials of information and promotional nature.

The Ministry of Economic Development: Events on different topics were held during the year to increase public trust towards the Ministry of Economic Development and media participation at these events was ensured. Annual reports on the Ministry's activities for 2009, 2010, 2011 and 2012 are posted on www.economy.gov.az website, websites of the Ministry and its structures are regularly updated, interviews of high ranking officials of the Ministry to national and foreign media outlets were arranged and article were published⁷². The Ministry of Ecology and Natural Resources, Communication and Information Technology Ministry, Ministry of National Security gave similar answers. 4 out of 6 points to this task.

28.4. Envisaging educational courses on anti-corruption in in curricula of higher and secondary vocational schools, extended specialization courses and education centers. Implementer: **Ministry of Education** - constantly. No available information. 0 out of 6 points to this task.

⁷⁰http://vn.taxes.gov.az/ganun/dovlet_progami/korrupsiyaya_garsi.pdf

⁷¹http://www.fhn.gov.az/newspaper/?type=view_news&news_id=3202

⁷²<http://economy.gov.az/media/pdf/Kor2012.pdf>

28.5 Organization of essay and art contests on combating corruption and other type of intellectual competitions among secondary school students. Implementer: *Ministry of Education* - constantly. No available information. 0 out of 6 points to this task.

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

The General Prosecutor's Office stated that anti-corruption manual leaflet has been developed together with the Anti-corruption Fund within public education activities. In 2012, the agency published a leaflet titled "Fight against corruption in the Republic of Azerbaijan through law-enforcement measures" (in English) and a manual, including a newsletter covering the activities of the agency in 2011. New structure of the agency, its functions, and legislative framework are reflected in the mentioned publication.⁷³ Educational leaflets were distributed to the participants of various conferences, exhibitions, business forums, trainings and seminars by the Ministry of Economic Development during the reporting period. At the same time, the activities on collection of necessary legal-normative, scientific-methodical materials and their further development have started. The goal of these activities is publication of anti-corruption educational leaflets and manuals and other materials and their distribution to the general population in 2013.⁷⁴ The Anti-Corruption Commission stated that preparations related to compilation of a new anti-corruption legislative compendium are being finalized at the moment. The agency regularly publishes educational guide-books. 3 out of 6 points to this task.

Table 1 reflects the status of implementation of the NAP actions in descending order (in points and percent). Tables are included in Appendix 1.

Status of implementation of NAP actions planned to be completed in 2012

It is envisaged in the NAP to complete implementation of actions under items in 2012. This proportion constitutes 1,6% of all actions envisaged under the NAP. NAP envisages implementation of the following actions in 2012:

Action 12.6: Acceleration of drafting the law on regulating the inspections carried out in the entrepreneurship field and protection of entrepreneurs' interests. Implementer: *Administration of the President of the Republic of Azerbaijan* -2012.

The Administration of the President of the Republic of Azerbaijan has already drafted the law "On regulating the inspections carried out in the entrepreneurship field and protection of

⁷³<http://www.genprosecutor.gov.az/?/az/news/view/460/>

⁷⁴<http://economy.gov.az/media/pdf/Kor2012.pdf>

entrepreneurs' interests", and submitted it to the Parliament. This activity has been completed for fully.

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

It was impossible to receive information on completion of any works on development of proposals on simplification of terms and conditions for issuance of licenses and permissions. The Cabinet of Ministers did not respond to the inquiry related to this issue. 0 out of 6 points to this task.

Status of implementation of NAP actions planned to be completed in 2013

It is envisaged in NAP to complete implementation of actions under 48 items in 2013. This proportion constitutes 38,4% of all actions envisaged under the NAP. The monitoring revealed no progress in implementation of 6 out of 48 items (12,5%). Small progress has been made in 13 out of 48 items. Under 3 items the activities have been completed for 83,33%. Activities under 1 item has been completed fully. Under 4 items, the activities have been completed for 66,66%, under 6 items – for 50%, under 1 item – 44,4%, under 10 items – for 33.3%, and under 3 items – for 22,2%. Overall, activities under 14 items have been completed for 50% and more. This constitutes 29,6% of all activities.

Conclusion

Initial steps have been made to implement the action envisaged in the NAP during the year passed from its approval. The monitoring process showed that the State bodies responsible for NAP implementation take very sluggish steps in this direction. Analysis of the NAP displays that main implementation period for the Plan covers 2013-2014. 2013 can be conditionally considered as the start-up year. 2014 is the year when significant number of the action should be completed or major part of them should be fulfilled. Very small period left before the end of the year and this period of time is very critical in terms of finalization of the works planned for 2013 and acceleration of implementation of the delayed activates. The delays occurred in 2013 will definitely affect the action in the later stage. In turn, this may seriously obstruct entire implementation of the NAP. Below are the problematic issues and those that need primary attention:

1. The first thing that drew attention when monitoring the implementation of NAP actions to be completed in 2013 is the low dynamics of the process. It is noted in many of the responses to the inquiries made during the monitoring that the activities on completion of the actions were not completed and continued. However, it should be taken into account that a bit more than 3 months are left before the end of the year and the responsible bodies should use this time maximum efficiently. In the current situation there is probability of 60-70% completion of 40% of the planned activities.
2. Another notable issue is limited information about the carried out activities. The State bodies provide information about concrete activities, including about draft laws and criteria. However, no comprehensive information is provided to media about this. Apparently, the State bodies are not interested in public discussion of these initiatives and not hurrying to involve CSIs to the decision-making process. Presumably because of this reason there is no available information for civil society institutions about implementation of the NAP actions. This is revealed during the monitoring process.
3. There is no satisfactory level of coordination between the State bodies on implementation of NAP activities. Although several implementing agencies have been assigned on each individual action, the received responses show that there is need for better arrangement of the coordination in implementation of activities.

4. The dynamics and progress is very low in the high corruption risk areas like public procurement, conduct of tenders, auctions, urban planning and construction, operations with real estate.
5. At the same time, lack of notable activities with regard to organizing anti-corruption education courses in higher and secondary education institutions, as well as in curricula of extended courses and education centers should be on the focus. Also, not making necessary steps in implementation of the activities related to improvement of management mechanisms in education institutions, increasing transparency of the exam process, non-efficient consideration of complaints and appeals related to the exams may in general overshadow effective implementation of the NAP.
6. It was noted that there were delays in implementation of some anti-corruption preventive actions and those aimed at reduction of corruption risks. Lack of actions are primarily observed in the areas like simplification of procedures for issuance of licenses and permissions, reduction of frequency of submission of tax declarations, shifting to mandatory medical insurance in the health care system, and development of drafts of the legal-normative acts regulating activities of pawnshops and the physical persons and legal entities providing intermediary services on purchase and sale of real estate. The implementation of the majority of these actions is planned for 2013-2014. Different State bodies should consider that preparation and implementation of the actions need time and there is a serious need for acceleration of the steps with this regard.
7. Another point that needs attention is slow introduction of e-services in the high corruption risk areas. Specifically, e-services are mostly limited to receipt of documents. Whereas, services must be coherent in terms of combating corruption. Steps in the areas like issuance of permissions and licenses, conduct of auctions, tenders, and operations with real estate would be very effective. Otherwise, carry-out of e-services as they are at the moment won't yield desired results.
8. On the positive side, one should note hiring of teachers and doctors through centralized software test and interview system, and dissemination of advance information on vacancies in the web-sites and press organs, and advance announcement of vacancies in web-sites and press outlets.
9. Introduction of electronic record-keeping on citizen receipt, submission of reports on code of conduct, and steps made on improvement of the integrated registry of entrepreneurship entities can also be considered as remarkable progress.

10. At the same time, other significant step in improvement of the entrepreneurship environment is development and submission by the President of the Republic of Azerbaijan to the Parliament the Draft Law of the Republic of Azerbaijan on Regulation of Inspections in the Entrepreneurship Area and Protection of Entrepreneurs Interests, and its approval in third reading.
11. Progress in development of the rules for anti-corruption expert examination of legal-normative acts must be noted as well.
12. Among other positive developments one should note publication of semi-annual and annual reports by the Anti-corruption Commission and improvement of the work of 161 Hotline.

Recommendations

1. There is a serious need for increase of coordination efforts and oversight of implementation of NAP activities by the Anti-Corruption Commission. A mechanism should be established to enable the Commission to receive information on the implemented activities not only at the end of the implementation year through annual reports, but promptly on a regular basis. This would enable to receive timely information about the areas encountering delays, their reasons, as well as to put efforts for additional measures.
2. It is important to accelerate implementation of the NAP actions in the high risk corruption areas. The Anti-Corruption Commission should strengthen control to speed up the implementation of these actions. Civil society institutions should primarily focus their advocacy and promotion activities on this direction.
3. Delays in the anti-corruption preventive measures envisaged in the NAP, some activities for reduction of corruption risks and sluggish introduction of electronic services in high corruption risk areas must be under special focus, and the Anti-Corruption Commission and civil society institutions must put relevant efforts to accelerate the work in this direction. NGOs, media must take measures to keep these issues on the agenda as urgent topics in terms of combatting corruption.
4. Development of a methodology for diagnosis of the entrepreneurship environment and conduct of the relevant assessment could be very positive steps in fighting against corruption.
5. There is a very serious need for establishment of concrete mechanisms for prevention of conflict of interests and submission of financial information.
6. Taking serious steps in organizing anti-corruption education courses in higher and secondary education institutions, as well as in curricula of extended courses and education centers would be an important movement in formation of anti-corruption culture. Inactivity in this sphere generally affects anti-corruption efforts. The relevant agencies, the Ministry of Education, the Anti-Corruption Commission must put immediate efforts to achieve progress in this direction.
7. Cooperation with civil society institutions must be broadened during implementation of anti-corruption activities and the actions envisaged in the NAP. This cooperation would be especially effective when developing draft laws, rules and criteria, and introduction of regulatory tools. Despite some progress in this area, there is a serious need for deepening

of the cooperation. The agencies responsible for implementation of the NAP activities need to take concrete steps in this direction.

8. Allocation of grants to the NGOs functioning in the anti-corruption area, organization of courses, issuance of orders for implementation of education activities could significantly contribute to societal support to the anti-corruption policy and create favorable ground for reforms in this sphere. Currently, anti-corruption initiatives of domestic NGOs are mostly funded by foreign donors and shortage of material resources does not allow them fully realize their potential.
9. There is a serious need for acceleration of the works and the soonest finalization of creation of an integrated methodology for the “hotline” activity of the State bodies. Presently, the hotlines play the role of the main source for feedback for the population and getting information on corruption offences. Taking this into account, development of integrated standards for hotline services is an important pending task. It would be helpful to benefit from civil society organizations’ experience in this field. Many NGOs has created pro-bono legal assistance services, hotlines for receipt and analysis of information on corruption offences, as well as the hotlines on consumer rights, and have extensive experience in this sphere.
10. There is a serious need for broadening the scope of awareness-raising and education activities on the combating corruption. Certain initiatives have been taken in this direction during recent years. However, they are not sufficient and the State bodies must put more efforts for implementation of the activities defined in this direction. The monitoring process shows that this area does not enjoy the attention it deserves.
11. The data shows that activities with one responsible party are more likely to be implemented. A more clear system of assigning responsible agencies could give certain incentives to these parties to perform better in term of the NAP implementation.

Appendix 1. Streams implementation status

Table 1: Number of components in each stream of the NAP and assessment of progress on their implementation.

Stream	Number of components	Observed performance
1. Improvement of legislation base for combating corruption	2	1,5
2. Improvement of affairs for review of applications and complaints	5	3,3
3. Improvement of legislation in the field of criminal persecution	5	3,1
4. Improvement of the activities of the Commission for Combating Corruptions of Azerbaijan Republic	4	2,3
5. Improvement of the activities of the Administration for Combating Corruption attached to the General Prosecutor's Office of Azerbaijan Republic	3	1,7
6. Prevention of legalization of incomes obtained through criminal way and strengthening of institutional mechanisms in this field	5	2,5
7. Improvement of legislation and institutional mechanisms on the state service	3	1,43
8. Improvement of activities of the state servants and increase of their workmanship	6	2,7
9. Prevention of Conflict of interests and submission of declarations regarding financial character information	3	1,2

10. Improvement of Ethical Code	5	1,9
11. Improvement of activities of the municipalities	3	1,1
12. Improvement of suitable environment for entrepreneurship activities	7	2,3
13. Improvement of Audit Services	4	1,3
14. Improvement of State Acquisitions and increase of transparency	8	2,7
15. Increase of Transparency in the field of conducting state registry of the real estate	4	1,3
16. Improvement of licensing and authorization and certification issues	4	1,3
17. Increase of efficiency of tax control and inspections	5	1,7
18. Increase of transparency in the privatization process	2	0,6
19. Improvement of the process of collection of customs duties and rates	4	1,2
20. Improvement of city planning and construction legislation and administrative management in this field	4	1,1
21. Improvement of management mechanisms in educational institutions	7	1,8
22. Improvement of management mechanisms in the field of health	6	1,5
23. Improvement of application of corporate management principles in the state institutions	3	0,7
24. Improvement of communal public services	4	0,8

25. Improvement of management mechanism in the field of labor and social welfare	7	1,2
26. Development of international cooperation in the field of combating corruption	3	0,5
27. Development of cooperation with civil society institutions in the field of combating corruption	2	0,2
28. Enlightenment regarding combating corruption	6	0,2

Table 2: Execution ratio of each stream, %.

Stream	Execution ratio
26. Development of international cooperation in the field of combating corruption	78%
5. Improvement of the activities of the Administration for Combating Corruption attached to the General Prosecutor's Office of Azerbaijan Republic	67%
13. Improvement of Audit Services	63%
27. Development of cooperation with civil society institutions in the field of combating corruption	58%
6. Prevention of legalization of incomes obtained through criminal way and strengthening of institutional mechanisms in this field	58%
24. Improvement of communal public services	50%
12. Improvement of suitable environment for entrepreneurship activities	48%
7. Improvement of legislation and institutional mechanisms on the state service	44%
22. Improvement of management mechanisms in the field of health	39%
25. Improvement of management mechanism in the field of labor and social welfare	38%
28. Enlightenment regarding combating corruption	36%
2. Improvement of affairs for review of applications and complaints	33%
4. Improvement of the activities of the Commission for Combating Corruptions of Azerbaijan Republic	33%
10. Improvement of Ethical Code	33%
11. Improvement of activities of the municipalities	33%

17. Increase of efficiency of tax control and inspections	33%
19. Improvement of the process of collection of customs duties and rates	33%
9. Prevention of Conflict of interests and submission of declarations regarding financial character information	29%
16. Improvement of licensing and authorization and certification issues	29%
1. Improvement of legislation base for combating corruption	27%
8. Improvement of activities of the state servants and increase of their workmanship	26%
15. Increase of Transparency in the field of conducting state registry of the real estate	25%
3. Improvement of legislation in the field of criminal persecution	23%
21. Improvement of management mechanisms in educational institutions	20%
14. Improvement of State Acquisitions and increase of transparency	17%
23. Improvement of application of corporate management principles in the state institutions	17%
18. Increase of transparency in the privatization process	8%
20. Improvement of city planning and construction legislation and administrative management in this field	4%