

EITI in AZERBAIJAN

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How it all began?

In December 1999 Global Witness published a report called *A Crude Awakening*. The report concluded with a public call on the oil companies operating in Angola to 'publish what you pay'.

In June 2002 Global Witness along with other founding members, CAFOD, Open Society Institute, Oxfam GB, Save the Children UK and Transparency International UK, launched the worldwide PWYP campaign, calling for all natural resource companies to disclose their payments to governments for every country of operation.

Important dates

- 2002 October. Tony Blair announces the Extractive Industries Transparency Initiative (EITI) at the World Summit for Sustainable Development in Johannesburg
- 2003 June. [First EITI Plenary Conference](#) at Lancaster House in London launches the Initiative
- 2004 February. EITI Paris Implementation Workshop
- 2004 June. G8 Summit at Sea Island. US endorses EITI for the first time
- 2005 March. Second EITI plenary conference, London, forms International Advisory Group (IAG) to decide on the governance and future direction

Important dates

- 2005 June. G8 Gleneagles Summit. EITI support and implementation recommended in the Commission for Africa Report
- 2006 June. Last IAG meeting establishes an EITI Board and selects Oslo as the location of the International Secretariat
- 2006 October. Third EITI plenary conference, Oslo. During the [EITI Global Conference in Oslo](#), the EITI Board 2006-2008 was formed consisting of 20 members representing implementing countries, supporting countries, civil society organisations, industry and investment companies

Important dates

- 2008 February. Validation methodology agreed by board at meeting in Accra, Ghana
- 2009 February. The [4th EITI Global Conference](#) took place in Doha, Qatar. Azerbaijan completes Validation, and is found the first EITI Compliant Country
- 2011 February. The [5th EITI Global Conference](#) took place Paris

Compliant Countries

1. Azerbaijan
2. Mongolia
3. Central African Republic
4. Niger
5. Ghana
6. Nigeria
7. Kyrgyz Republic
8. Norway
9. Liberia
10. Timor-Leste
11. Mali
12. Yemen
(Suspended)

Candidate Countries

1. Afghanistan
2. Kazakhstan
3. Albania
4. Madagascar
5. Burkina Faso
6. Mauritania
7. Cameroon
8. Mozambique
9. Chad
10. Peru
11. Côte d'Ivoire
12. Republic of the Congo
13. Democratic Republic of Congo
14. Sierra Leone
15. Gabon
16. Tanzania
17. Guatemala
18. Togo
19. Guinea
20. Trinidad and Tobago
21. Indonesia
22. Zambia
23. Iraq

The Philosophy of EITI

12 EITI Principles, agreed at the Lancaster House Conference in June 2003, provide the cornerstone of the initiative.

12th Principle of EITI:

In seeking solutions, we believe that all stakeholders have important and relevant contributions to make – including governments and their agencies, extractive industry companies, service companies, multilateral organisations, financial organisations, investors, and non-governmental organisations

The EITI Criteria

- Regular publication of all material oil, gas and mining payments by companies to governments (“payments”) and all material revenues received by governments from oil, gas and mining companies (“revenues”) to a wide audience in a publicly accessible, comprehensive and comprehensible manner.
- Where such audits do not already exist, payments and revenues are the subject of a credible, independent audit, applying international auditing standards.
- Payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and with publication of the administrator’s opinion regarding that reconciliation including discrepancies, should any be identified.

The EITI Criteria

- This approach is extended to all companies including state-owned enterprises.
- Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process and contributes towards public debate.
- A public, financially sustainable work plan for all the above is developed by the host government, with assistance from the international financial institutions where required, including measurable targets, a timetable for implementation, and an assessment of potential capacity constraints.

The Mission of Government:

Inform the citizens on income from the exploitation of natural resources

The Mission of Private sector

Confirm or refute the government
report

The Mission of Civil Society

Reduce the risks of conflict of interest
in EITI

What is a multilateral group in the EITI?

Institutional incarnation philosophy about
three sides of the EITI process

Azerbaijan's experience

24 November 2004. Signing the MOU on EITI Azerbaijan

2009 February. The [4th EITI Global Conference](#) took place in Doha, Qatar. Azerbaijan completes Validation

February 2010. Establishing the Multi-stakeholders Group (MSG)

MSG in Azerbaijan

Creation and activity is regulated by a special agreement signed by all parties to the EITI process in Azerbaijan
(government, companies, NGO Coalition)

The basic principles of the Agreement on MSG in Azerbaijan

- 1) Board: 4 representatives from each side (three members and one reserve member without voting rights);
- 2) Preside at meetings of MSG - the chairman of the Governmental Commission. In its absence - one of the representatives of the parties;
- 3) Decision-making by consensus;

The basic principles of the Agreement on MSG in Azerbaijan

- 4) Decision-making by consensus;
- 5) In deciding on each side should take part in at least two representatives;
- 6) In the year of no less than 4 meetings;
- 7) Meetings of the ISG are recorded and archived;
- 8) The text of the official press -release notice of the meeting is consistent with the parties before it is distributed;
- 9) MSG may establish working groups and also invite experts to discuss some issues;

The main functions of the CGM in Azerbaijan

- 1) Preparation and approval of annual plans of activities on the EITI;
- 2) Improving the reporting forms EITI;
- 3) The choice of auditor for verification of reports of companies and government;
- 4) Interacts with the EITI international organizations to improve an initiative;

Thank you for the attention