

Review of the Coalition Council on the amendments to 2014 EITI Report following the submission of ITEI NGO Coalition Opinion

(Approved at the 154th meeting of ITEI NGO Coalition dated April 27, 2016)

Following the reveal of 2014 EITI Report at the meeting of the Multi-Stakeholder Group (MSG) on February 15, 2016, the ITEI NGO Coalition prepared a comprehensive opinion to the Report within 1 month and submitted it to the MSG, in accordance with Article 2.4.9 of the Memorandum of “Mutual Understanding on the application of Extractive Industry Transparency Initiative in mineral production industry fields of Azerbaijan Republic”. The Coalition opinion reflects the improvements observed in 2014 Report compared to 2013 Report, as well as the remarks on the discrepancies between the content of the information in the Report and the requirements of EITI Standard, and the report structure and forms of the information submission and 24 recommendations for the improvement of the report content.

Following the submission of the Coalition opinion, the Independent Administrator (together with local EITI Secretariat) took into consideration certain remarks and recommendations by the Coalition and International Secretariat and made a couple of additions and amendments to 2014 EITI Report. The following are among them:

- Information on the share of the extractive industry in exports has been included into the Report (page 32) – the remark of the Coalition opinion in article 2.3 has been taken into account;
- Information on the volume and value of the commodities produced on the regions and territories of the country has been included into the Report (page 35) – Remark in Article 2.4 and recommendation 1.3 of the Coalition opinion has been taken into consideration;
- Information in the Report on the relationship between SOCAR and state agencies has been expanded (page 37-38) – remark in article 2.5.1 and recommendation 1.7 of the Coalition Opinion have been partially considered. However, it should be noted that SOCAR-related information of the Report does not fully meet the requirements of EITI Standard.
- Additional information on the involvement of foreign and local production companies to the production industry of the country and PSA development mechanism has been included into the Report (page 46) – recommendation 1.12 of the Coalition Opinion has been partially considered;
- Information on the purchasers of the profit oil of the government from ACG during the report, as well as the volume and value of the oil sold has been included into the Report (page 50) – Coalition Opinion on 2013 EITI has a recommendation in this regard;
- Summary schedules reflecting the volume of the in-kind raw oil and gas submitted to the government within the framework of the agreements have been included into the Report (page 53-54).

It should be mentioned that it is the first time that Azerbaijan has made amendments to EITI Report based on Coalition Opinion since the country joined EITI Process. The Coalition considers this an improvement in the development of EITI process in the country. Nevertheless, the Coalition Council hopes that upon development of 2015 EITI Report other remarks and recommendations of the Coalition Opinion will be taken into consideration as well.