



Participation of Civil Society in an implementation of EITI in Azerbaijan

Baku-17th June 2008
İrshad Hotel

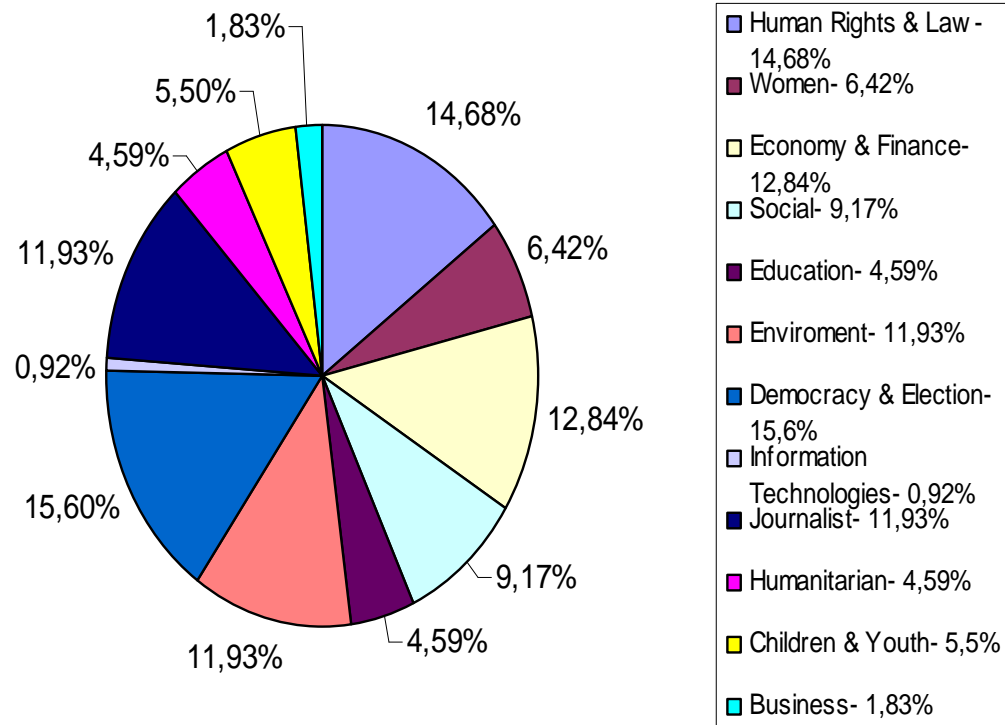


- NGO Coalition of “Improving Transparency in Extractive Industries”
- Was established in 13th may 2004, members’ number reached to 131 for 13th may 2008, 116 of them are NGO, and 15 are individuals .



Human R	Women-	(Economy	Social- 9,	Education	Envirome	Democra	Informati	Journalis	Humanita	Children	Business-
14,68%	6,42%	12,84%	9,17%	4,59%	11,93%	15,60%	0,92%	11,93%	4,59%	5,50%	1,83%

Classification of the Coalition Members (%)
(based on their fields of activities)



Coalition mission



- To achieve transparency in extractive industries and efficient management of resources by active participation of civil society



Coalition's strategy goals

- strengthening public control on productive usage of natural resources
- -broadening power and possibilities of civil society
- -improving government's and companies' reporting and transparency
- -decreasing corruption in extractive industries
- -reduction of poverty and to achieve sustainable economic development.



An Activity program of Coalition for 2008

- To set up estimating system of State Oil Company Azerbaijan Republic's and other companies' activity by indicators and arranging estimating by an expert interrogatory
- Preparing research reports on companies' transition to disaggregate reporting
- Preparing law project about oil fund and organizing public discussions
- To prepare appropriate recommendation packet for the purpose of surrounding non-gas, non-oil natural resources (for ex. gold etc.) with an EITI Initiative
- Estimating of implementation of EITI in Azerbaijan and preparing yearly report.



Our gains

- o Civil society institutions joining in the Coalition develop their joint activity abilities
- Other representatives of civil society are mobilized by Coalition participates in EITI process and get opportunity to influence on these processes
- Community attains access to data about expenditures two times in a year
- Coalition gains opportunities of participation by equal terms in an Auditor election
- Coalition notifies its opinion after estimating opinion of appropriate audit companies and Azerbaijan government's reports on expenditures of extractive industries.



Our achievements

- Coalition's authority has considerably increased, members' number is over than 131, 30 of them are women leaders
- For its active partnership with media in 2006, coalition was rewarded with Diploma after Zardabi
- Coalition has started to periodical publishing of monthly bulletin and quarterly journal
- Study travel of Yemen, Kyrgyzstan, Ukraine, Kazakhstan, Cambodia, representatives to Baku, made a condition for studying of Azerbaijan practice.



Our expectations

- Reliable and detailed data about revenues was not accompanied with improving transparency and reporting initiatives in official expenditures
- Voluntarily joining to EITI was not resulted with expected responsibility
- Civil society institutions representation was not provided in a Observation Council of State Oil Fund of Azerbaijan Republic
- To make changes to report forms and to period of their representation according to mutual agreement of Memorandum sides(in spite of this opportunity was reflected in the Memorandum by suggestion of the Coalition (item 1.), it was not happened in past period)



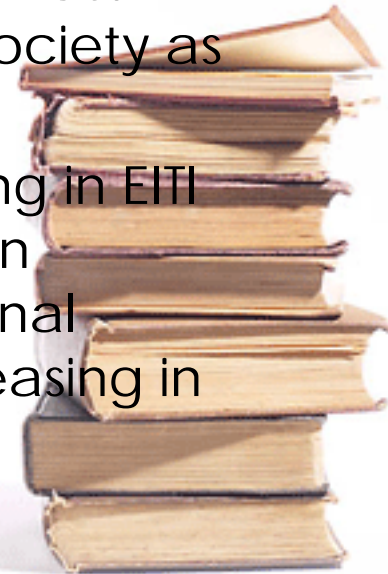
Our loss

- EITI's international policy mostly servicing to broadening its geography had a statistic role
- As companies are not inclined to transition to an disaggregate reporting and are satisfied with existing aggregative reporting, ultimately, expected transparency and reporting were not achieved
- EITI initiative was not implemented in all spheres of extractive industries
- Periodical transparency campaign for improving population's knowledge about EITI was not set up.



Our anxiety

- there is passiveness in civil society in admitting public resolutions
- - an interest of government and extractive industry companies is decreasing to EITI, there is no previous intensity in contacts with civil society
- - there is a danger to lose potential gained in last years because, donors do not support civil society as before
- -dependence from mineral resources growing in EITI implemented countries, investment condition becomes worse, competition ability of national economy gets bad, social difference is increasing in society and corruption is rising



Conclusion

- In an institutional period EITI is in an attention increased, later interest to that, is decreased
- EITI implementation has a statistic character and overturns to a rutin process that can change nothing
- There is a need of new public initiatives of broadening in horizontal direction and deepening in vertical direction of EITI in Azerbaijan



Our proposals

- To establish a Committee with active participation of interest groups (government-companies- coalition of civil society institutions)
- To broaden indicator lists that show report forms
- To apply disaggregate reports of companies by proper changes in memorandum
- To broaden reporting in other spheres of extractive industries
- Extractive industry companies should pass an audit.



Thank you!

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