

**Cabinet of Ministers of the Republic of Azerbaijan**

**Decision**

**N 252**

**Baku**

**6 June 2018**

**On Approving the Statute of the Extractive Industries Transparency Commission  
of the Republic of Azerbaijan**

In order to ensure the enforcement of paragraph 5.1 of the Decree on Additional Measures to Increase Transparency and Accountability in Extractive Industry of the President of the Republic of Azerbaijan, dated 5 April 2017, numbered 1315, the Cabinet of Ministers of the Republic of Azerbaijan DECIDES:

Statute of the Extractive Industries Transparency Commission of the Republic of Azerbaijan shall be approved (attached).

**Prime Minister**

**of the Republic of Azerbaijan**

**Novruz Mammadov**

**Approved with the Decision  
of the Cabinet of Ministers of the Republic of Azerbaijan  
dated 6 June 2018, numbered 252**

**STATUTE  
of the Extractive Industries Transparency Commission  
of the Republic of Azerbaijan**

**1. General provisions**

- 1.1. This Statute has been prepared with the aim of ensuring the enforcement of paragraph 5.1 of the Decree on Additional Measures to Increase Transparency and Accountability in Extractive Industry of the President of the Republic of Azerbaijan (hereinafter – Decree), dated 5 April 2017, numbered 1315, and it regulates the activity of the Extractive Industry Transparency Commission (hereinafter – Commission) of the Republic of Azerbaijan.
- 1.2. The Commission is a collegial body coordinating activities of state bodies and other entities in this field through participation in public policy-making in order to ensure transparency and accountability in the extractive industry of the Republic of Azerbaijan.
- 1.3. The Commission is governed by the Constitution of the Republic of Azerbaijan, laws of the Republic of Azerbaijan, decrees and orders of the President of the Republic of Azerbaijan, decisions and orders of the Cabinet of Ministers of the Republic of Azerbaijan, international treaties joined by the Republic of Azerbaijan, as well as this Statute in its activities.
- 1.4. The Commission prioritizes the international transparency principles, set out in Articles 1.1 through 1.8 of the Decree, in the application of transparency and accountability standards in the extractive industry of the Republic of Azerbaijan.
- 1.5. The Commission acts mutually with executive authorities, local self-government bodies and other organizations in fulfilling the responsibilities and executing rights specified in this Statute.

**2. Responsibilities of the Commission**

- 2.1. The main responsibilities fulfilled by the Commission are the following:
  - 2.1.1. To participate in public policy-making with the view of ensuring transparency in the extractive industry (hereinafter – EIT) of the Republic of Azerbaijan;

- 2.1.2. To supervise the compliance with the international principles, referred to in paragraph 1.4 of this Statute, in the Republic of Azerbaijan;
- 2.1.3. To coordinate activities of state bodies and other entities in the field of EIT;
- 2.1.4. To identify a form and periods of submission of reports regarding all income of the state in respect of exploitation of natural resources in the Republic of Azerbaijan and payments made by local and foreign companies operating in the extractive industry of the Republic of Azerbaijan in favor of the state, in accordance with the international standards of transparency and accountability in extractive industry;
- 2.1.5. To ensure the participation of all stakeholders, including state bodies, companies operating in the extractive industry, international organizations, financial entities, investors and non-government organizations;
- 2.1.6. To identify all companies operating in the extractive industry of the country falling under the scope of the application of the financial transparency standards and ensure their participation in the EIT reporting;
- 2.1.7. To select an independent and qualified audit company for the collection and inspection of reports;
- 2.1.8. To identify the form of a summary report of the Commission, to prepare the report based on the collected information and to regularly make it public;
- 2.1.9. To cooperate with non-government organizations, representatives of private sector and independent experts in all stages of ensuring the reporting;
- 2.1.10. To take appropriate measures to realize public awareness in order to ensure transparency and accountability in the extractive industry of the Republic of Azerbaijan;
- 2.1.11. To hold consultative meetings with the participation of all stakeholders, including civil society, representatives of companies operating in the extractive industry and experts at least once in a quarter.

### **3. Rights of the Commission**

- 3.1. In order to fulfill its responsibilities the Commission has the following fundamental rights:
  - 3.1.1. To cooperate with state bodies in preparation of decisions, orders and recommendations regarding EIT matters;
  - 3.1.2. To require and receive reports and other necessary information regarding the exploitation of natural resources from relevant state bodies and companies, including local and foreign companies operating in the extractive industry of the Republic of Azerbaijan in order to ensure the reporting;

- 3.1.3. To inquire and obtain necessary information (documents) from state bodies and local self-government authorities, natural and legal persons regarding the application of the EIT;
- 3.1.4. To file a petition in relevant state bodies in respect of the resolution of the EIT related problems;
- 3.1.5. To draft and approve annual action plans of the Commission;
- 3.1.6. To establish working groups for the resolution of particular issues, if necessary;
- 3.1.7. To engage relevant state bodies and companies of the Republic of Azerbaijan, local and foreign companies operating in the extractive industry of the Republic of Azerbaijan, non-government organizations, independent experts and specialists, as well as other persons in its activity;
- 3.1.8. To organize sessions, conferences, seminars, trainings, roundtables and other public cultural events devoted to the application of the EIT and issues for coordination of work in this field with the participation of interested parties;
- 3.1.9. To create and constantly update a website of the Commission in order to regularly inform public on the activity of the Commission;
- 3.1.10. To cooperate with international organizations and respective entities of foreign countries, share experience with foreign states in order to secure transparency and accountability;
- 3.1.11. To give proposals for improvement of normative legal acts related to ensuring the EIT.

#### **4. Organization of Activity of the Commission**

- 4.1. The Commission works on social basis.
- 4.2. The composition of the Commission is approved by the President of the Republic of Azerbaijan.
- 4.3. The leadership of Commission's activity belongs to the Chairman of the Commission.
- 4.4. The Chairman of the Commission takes the following actions in order to organize the activity of the Commission and to fulfill its responsibilities:
  - 4.4.1. Determination of the issues to be included in the agenda of meetings of the Commission;
  - 4.4.2. presiding over meetings of the Commission;
  - 4.4.3. signing decisions of the Commission;
  - 4.4.4. representation of the Commission;
  - 4.4.5. sending requests regarding the enforcement of decisions of the Commission to appropriate bodies and organizations;
  - 4.4.6. leading the activity of the Commission;
- 4.5. Members of the Commission have following rights:
  - 4.5.1. To participate in meetings with a voting right;

- 4.5.2. To be informed on the arrangement of meetings and issues to be discussed at meetings in advance;
- 4.5.3. To get familiar with issues included in the agenda of meetings;
- 4.5.4. To obtain necessary factsheets and information;
- 4.5.5. To get familiar with drafts of documents, to give opinion and proposals thereon;
- 4.5.6. To give reports and speeches at meetings, to participate in discussions;
- 4.6. Members of the Commission shall observe the followings:
  - 4.6.1. attend all meetings of the Commission, except for ones with plausible reasons;
  - 4.6.2. acting in accordance with the division of work in the Commission set out by the Chairman of the Commission;
  - 4.6.3. comply with the provisions of this Statute.
- 4.7. The organization of everyday activities of the Commission, coordination of its work, oversight of the performance of its decisions and management of all activities regarding the application of the EIT in between the meetings of the Commission are fulfilled by the appropriate unit of the State Oil Fund of the Republic of Azerbaijan, which is assigned the function of the Secretariat of the Commission.
- 4.8. Decisions on matters related to the competences of the Commission are adopted at its meetings. Decisions of the Commission are adopted with two-thirds majority of members attending the meeting, including the Chairman.
- 4.9. Meetings of the Commission are held not less than twice a year in accordance with the approved annual action plan. Additional meetings may be convened upon the request of the Chairman of the Commission or one-thirds of its members.
- 4.10. Meetings of the Commission are convened with the notice sent to members of the Commission at least 3 (three) days before the meeting by the Chairman of the Commission.
- 4.11. Meetings of the Commission are authorized if two-thirds of its members, including the Chairman, attend the meeting.
- 4.12. The Secretariat of the Commission, as a rule, reports on issues considered at meetings of the Commission. The Chairman of the Commission may appoint a speaker from members of the Commission. The speaker collects documents and materials, takes measures to ensure comprehensive, full and objective consideration of the issue and prepares a report on the issue.
- 4.13. Each member of the Commission participates in the voting with one vote, personally and openly.
- 4.14. If a member of the Commission has direct and personal interest in the issue, or in the case which may affect trust in its impartiality, he/she cannot participate in the voting regarding that issue. In this case, a member of the Commission should immediately notify the Commission on his/her interests.
- 4.15. If a member of the Commission cannot participate in the voting personally, he/she may join the voting via teleconference or submit his/her opinion on discussed issues in writing.

- 4.16. Meetings of the Commission and decisions adopted at the meetings are authorized with a protocol signed by the Commission. If any member of the Commission does not agree with the adopted decision, his/her particular opinion is added to the protocol of the meeting.
- 4.17. Representatives of state bodies and organs, legal entities, which are owned by the state and controlling interest of which is owned by the state, and budget organizations, interested parties in the application of the EIT and mass media and other persons may be invited to participate in meetings of the Commission as an observer.
- 4.18. In the following cases the meeting of the Commission may be postponed or the ongoing meeting may be rescheduled, if:
- 4.18.1. there is no quorum;
  - 4.18.2. it was not possible to ensure the participation of the interested party, expert or persons, who are interested in comprehensive, full and objective consideration of the issue at the meeting;
  - 4.18.3. there is other situation preventing comprehensive, full and objective study of issues considered at the meeting.

**Note.** The amendments to this Statute may be made in accordance with paragraph 2.6.1 of the Statute on the Rule of preparation and adoption of normative legal acts of executive authorities approved by the Decree of the President of the Republic of Azerbaijan dated 24 August 2002, numbered 772.