



**Public Association for
Assistance to Free Economy**

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Corruption and Freedom of Association in Azerbaijan

Zohrab Ismayil,

Public Association for Assistance to Free Economy (PAAFE)

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About organization

- PAAFE was registered by the Ministry of Justice of Azerbaijan on May 26, 2006, as a non-governmental organization operating.
- The organization's mission is to ensure the rule of law, economic freedom and good governance.
- The main directions of work of the organization are promoting economic freedoms, good governance and economic development, and the protection of economic and social rights, freedom of association and information.
- PAAFE was one of the NGOs faced with a politically motivated criminal case seized on bank accounts in 2014. After two years, the court lifted the ban on April 18, 2016. However, after this period, PAAFE cannot legally operate.
- Since May 2014, PAAFE 11 times applied to the Ministry of Justice to renew the extract from the register (renew the registration). But unfortunately, all application was illegally rejected.

Topics of speech

- This presentation two related topics: the corruption issue and the limited civic space in Azerbaijan.
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Previous Universal Periodic Review

- During the previous Universal Periodic Review in May 2018, Azerbaijan accepted eight recommendations on preventing corruption, and 12 recommendations on freedom of association.
- The recommendations on preventing corruption were very general and unmeasurable. Therefore, evaluation of the implementation of those recommendations are problematic.
- As for freedom association issues, we accept that 12 recommendations have not implemented yet.

Summary

- We welcome adopting the 2022-2026 National Action Plan to Strengthen the Fight Against Corruption by the government of Azerbaijan.
- However international reports have demonstrated that, in terms of scale, corruption in Azerbaijan stands out as a particularly negative example, not only in its region or among oil-gas countries with transition economies but in the whole world.
- According to the 2021 Corruption Perception Index of Transparency International, Azerbaijan scored 30 out of 100 and ranked 128th out of the 168 countries reviewed, while in 2022, the country fell to 157th out of 180 countries and scored 23 out of 100.

Corruption

- One of the main problems related to corruption in Azerbaijan is the illegal enrichment of government officials, members of parliament, judges, prosecutors, and associates of law enforcement bodies.
- Several cases in the UK against MPs and other officials of Azerbaijan related to money laundering scheme. Last year the UK court, by the appeal of the National Crime Agency has already ruled to seize millions of moneys of family members of MP of Azerbaijan.
- Also, in 2022 the international investigative report on Swisse Bank money laundering demonstrated that several high-level officials of Azerbaijan were part of two vast money laundering systems.
- Law enforcement bodies of Azerbaijan have yet to start any investigation in this regard.

Civil society space

- The current narrow environment for civil society organizations significantly reduces public participation in anti-corruption efforts in Azerbaijan.
- The authorities of Azerbaijan made legislative amendments to laws regulating NGO operations adopted in 2013-2015, which significantly impeded the right to freedom of association in Azerbaijan.

National Action Plan on OGP

- The 2020-2022 National Action Plan for Promoting Open Government considered three articles related to public participation and restoring enabling environment for the civil society:
 - *5.1. Taking measures to expand and improve the activities of civil society institutions in accordance with the principles of Open Government, increasing support for projects and initiatives of non-governmental organizations.*
 - *5.3. Preparation and adoption of proposals related to the simplification, electronification and improvement of procedures for registering grant agreements (decisions)*
 - *5.2. Preparation and adoption of proposals related to simplification, electronification and improvement of state registration of non-governmental organizations, including branches or representative offices of non-governmental organizations of foreign countries.*
- However, the 2022 report of the State Statistics Committee on implementing the "2020-2022 National Action Plan on Promotion of Open Government" doesn't cover the actions mentioned above. In other words, Azerbaijan's government still needs to implement measures related to public participation, the simplification, and the improvement of state registration of NGOs and procedures for registering grant agreements.

Recommendations on corruption issues

- Adopt the law and related legislative acts on public disclosure of the assets and income of government officials, members of parliament, judges and prosecutors.
- Also, it is essential to consider responsibility in the Criminal Code regarding violating legislation on public disclosure of assets and income. In this case, the amendments are necessary to the Anticorruption Law and Criminal Code and the establishment of a particular government agency which should review disclosures and initiate claims on violations before law-enforcement bodies.
- Enact amendment to Law on Access to Information and Commercial Secret and ensure transparency of founders and beneficiary ownership of legal entities—open registry of real estate, vehicles, and other assets for the public.

Recommendations on civil society space

- Enact amendments to the laws on non-governmental organizations (public associations and foundations), State registration and state register of legal entities, Grant, and Code of Administrative Offenses.
- Simplify state registration of non-governmental organizations, including branches or representative offices of non-governmental organizations of foreign countries, and eliminate obstacles for access of NGOs to domestic and international grants.