What is EITI?

- EITI is:
  For foreign and national extractive industries companies

  “Publish what you pay”

  For host governments of the extractive industries

  “Publish what you receive”
### EITI in Azerbaijan

- Azerbaijan joined EITI in 2003
- EITI Secretariat of Azerbaijan is hosted by SOFAZ
- First ever EITI Report published (March, 2005)
- Azerbaijan regularly discloses EITI reports (15 reports published)
- All extractive industries companies are engaged in EITI implementation
- Civil Societies are actively involved in EITI
- Azerbaijan is EITI International Board member

### SOFAZ tools for transparency

- **Disclosure tools**
  - Quarterly and annual reports
  - Regular press conferences
  - Regularly updated website
  - Active participation in international initiatives
  - Extractive Industries Transparency Initiative (EITI)
  - International Forum of Sovereign Wealth Funds (IFSWF)
Achievements & accomplishments

- 2007 UN Public Service Award in the category of "Improving transparency, accountability and responsiveness in the Public Service"

- The UN General Assembly Resolution on EITI adopted by consensus, 11 September, 2008

- First EITI Compliant Country, 2009 Doha, Qatar

- "2009 EITI Award" for Azerbaijan’s commitment to EITI principles and criteria and achievements in EITI Implementation

Impact of EITI implementation on SOFAZ

- Building trust (internationally and domestically)

- Stronger perception of legitimacy of the financial institution

- Full accountability to the owners of SOFAZ – current and future generations of Azerbaijan

- Accountability to the legislature
- Accountability to the public
International recognition of success

- Improved perception of investment climate in Azerbaijan
- Azerbaijan appeared in the top tier of Revenue Transparency Index
- Fitch upgrades Azerbaijan’s sovereign rating to investment grade
- SOFAZ ranks among most transparent sovereign wealth funds in the world.

Lessons learned

- Disclosure enhances transparency and accountability both in the public and corporate sectors
- Transparency in revenue management can help country build strong net creditor position and have a positive macroeconomic effect
- EITI improves government engagement with civil society.
- Success requires political will
Suggestions for follow up

- Build trust in the goals and objectives of EITI
- Continue to encourage the EITI implementation through dialogue with all relevant stakeholders—governments, companies and civil society
- Promote experience sharing

Thank you