

Transparency in Revenue Management: the Case of Azerbaijan



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Transparency in Revenue Management: Azerbaijan

Transparency matters

Energy security – stability of supply

“Resource curse”: slower growth, corruption, conflicts

Good Governance

Institutional set-up (SOFAZ)

EITI and Azerbaijan

Transparency in Revenue Management: Azerbaijan

State Oil Fund of the Republic of Azerbaijan (SOFAZ)

Main goal:

Accumulation and efficient management of oil and gas revenues for the benefit of current and future generations of people of Azerbaijan

SOFAZ aims at:

- preservation of macroeconomic stability
- equal distribution of wealth between generations
- financing major national scale projects
- ensuring full accountability and transparency of revenues
- efficiently managing assets of the fund



Transparency in Revenue Management: Azerbaijan

Extractive Industries Transparency Initiative

Azerbaijan is EITI implementing country since 2003

Multi-stakeholder group (MSG)

- National Committee on EITI
- Extractive industry companies
- Non-governmental organisations



First ever EITI Report published (2005)

All extractive industries companies are engaged in EITI implementation

International Advisory Group member and EITI International Board member

2007 UN Public Service Award

First EITI Compliant Country (2009)

Transparency in Revenue Management: Azerbaijan

EITI (contd.)

Azerbaijan achieved full accountability and transparency of revenues in extractive sectors

Perception of the society towards the issue of transparency in revenues has been changed



Improved investment climate which is providing a clear signal to investors (BBB-)

The “Resource curse” risks diminished

Azerbaijan strengthened its international image

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www.oilfund.az



www.eiti.org