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PRESS RELEASE

On changes to the Rules on the Right of Foreign Donors to Give Grants in the Republic of Azerbaijan

The Cabinet of Ministers made changes to the Rules on the Right of Foreign Donors to Award Grants in the Republic of Azerbaijan by its decree No 12 dated 24 January 2017. Transparency Azerbaijan welcomes this decree as an important step on the way to solve problems of the civil society and believes that the decree will ease the procedures for the right of foreign donors to award grants in the country.

The changes approved by the Rules are as follows:

- In addition to foreign donors, now recipients (or NGOs that have signed a grant agreement with a donor) can apply for an opinion on financial and economic feasibility of the grant (hereinafter “the Opinion”). This Opinion is the first condition to ensure the right of a foreign donor to award a grant in Azerbaijan Republic.
- Now a recipient can apply to the Ministry of Justice with a single request to both provide this Opinion and register a grant. According to the previous regulation, a donor had to apply to the Ministry of Finance for such an Opinion prior to signing a contract with a recipient, and subsequently a recipient had to approach the Ministry of Justice to have the grant registered.
- Grant documentation compiled in a foreign language still has to be translated into Azerbaijan language but the requirement to notarize the translation is annulled.
- The time period to provide an opinion to the financial and economic expediency of a grant is reduced from 15 days to 7 days and, in case additional research is required, extra 7 days (reduced from 15) can be given to the registering authority.

All these changes are positive and reduce the bureaucratic red tape in obtaining by foreign donors the right to award grants. Along with this, legislation regulating award of grants by foreign donors, including obtaining of an the Opinion on financial and economic expediency of grants, as well as the requirements for foreign NGOs to conclude agreements with the government in order to open branches or representative offices in Azerbaijan prior to any awards of grants, shall be further simplified.

We are confident that discussions with the civil society will contribute to further simplification of legal norms regulating this sphere.



Washington DC, January 27, 2017

The International Center for Non-for-profit Law (ICNL) welcomes the recent changes in the Republic of Azerbaijan in connection with simplification of access to foreign funding in Azerbaijan. The Presidential Decree of October 2016 followed by two recent Decisions of the Cabinet of Ministers of Azerbaijan demonstrate a new political will of Azerbaijani government.

If simplified in practice following adoption of the mentioned decrees, grants-making benefiting Azerbaijani CSOs will contribute to further strengthening of civil society and democratic values in the country. We have sincere hopes that the implementation of the new procedures will be free from bureaucratic obstacles and discretionary judgments.



Regarding “The Procedures for International Donors to Obtain the Right to Make Grants in Azerbaijan”

STATEMENT BY THE EURASIA PARTNERSHIP FOUNDATION (EPF)

The Cabinet of Ministers of the Republic of Azerbaijan, with Decision No. 12, dated 24 January 2017, has made amendments to “The Procedures for International Donors to Obtain the Right to Make Grants in Azerbaijan”. The Eurasia Partnership Foundation (EPF) believes that the amendments have eased the procedures for international donors to obtain the right to make grants and that this will create new funding opportunities for local NGOs.

The new opportunities brought by these amendments allow local recipients themselves to apply for the required socio-economic review. These local recipients can also now apply simultaneously to the Ministry of Justice for both registration and for the socio-economic review. EPF notes that together, these changes have the potential to create more opportunities for local NGOs to receive financial support from international donors. Besides this, some other procedural issues have been simplified. Firstly, the documents that should be submitted with the application for a socio-economic review no longer need to be approved by a notary. Secondly, while previously the time period for processing the socio-economic review was 15 days, it has now been reduced to 7 days. In addition, the previous procedures required that if there was a need to pursue further investigations for the socio-economic review, it could be prolonged for a further 15 days, however this has now also been reduced to a maximum of 7 days.

EPF hopes that these positive amendments to the relevant legislative acts will continue in the upcoming months and that these type of actions will reduce the bureaucratic barriers for international donors to obtain the right to make grants. EPF highly values the actions taken by the government of the Republic of Azerbaijan in recent months and believes that these actions will contribute to the strengthening of civil society and the future development of the country.



11 January 2017

Alimammad Nuriyev: ‘The problems concerning NGOs are being solved’

Alimammad Nuriyev, Coordinator of the Government and Civil Society Dialogue Platform on Open Government Partnership Initiative, made a statement on the decree of the Cabinet of Ministers ‘to make amendments to the registration procedures of the grant agreements (decrees)’,

According to the statement, this decree particularly simplifies registration of grants from foreign donors stipulated by “The registration of the grant agreements (contracts)”.

“We evaluate today’s decree of the Cabinet of Ministers on ‘The registration of the grant agreements (decrees)’ as a positive result of the N.1083 Decree dated 21 October 2016 signed by the President of Azerbaijan ‘on the application of the ‘single window’ principles when issuing foreign grants in the territory of Azerbaijan’. He added that ‘this decree significantly eliminates many requirements that have been creating artificial barriers and bureaucratic obstacles in registration of the grant agreements and simplifies the registration procedures.

The scope of documents to be submitted for registration of the grant agreement is significantly reduced;

- The requirement to submit a number of notarized documents is cancelled;
- if the subject of the grant agreement (contract) is to carry out a service or a work, the agreement is registered as a service contract;
- The submission and review period are increased for the registration of the grant agreement (contracts);
- Obligations of the Ministry of Justice to check, if funds of the grant were obtained through legalization of criminal proceeds, as per the regulations of the Republic of Azerbaijan on combating terrorism, are lifted.

All of these amendments will significantly improve the legal environment in registration of grant agreements.

A. Nuriyev stated that recommendations of the Open Government Platform were taken into account in making the amendments to the ‘registration of the grant agreements (contracts)’: “It can be evaluated as a significant example of efficient discussions of the government-civil society institutions. The problems that worry civil society institutions are being tackled.

According to A. Nuriyev, changes in the rules on donor grants are being prepared: “We consider that processes for implementation of the N.1083 Decree dated 21 October 2016 signed by the President of Azerbaijan ‘on the application of the ‘single window’ principles when issuing foreign grants in the territory of Azerbaijan’ has not been completed yet. After that, ‘the procedure of obtaining the right to grant by the foreign donors in the territory of Azerbaijan’ will undergo significant simplification.