

Sabit Bagirov – Speech at the signing ceremony for the Azerbaijan EITI Memorandum of Understanding, Baku, November 24, 2004

Dear Ladies and Gentlemen,

Today's event can probably be described as a historic one. First, because authorized representatives of the government, non-governmental organizations and companies have agreed to sign such an important document as the Memorandum for the first time. Secondly because the first step is being taken in the direction of systemic transparency in Azerbaijan's oil industry. From now on, the public will be able to receive regular information, twice a year, about the revenues obtained from the exploitation of our natural reserves and channeled into the Azerbaijani state budget and the State Oil Fund. Companies have released certain information before, but those were largely isolated and unsystematic occasions. The government, in its turn, was disclosing only the revenue of the State Oil Fund, while other earnings were not revealed.

Frankly speaking, the Memorandum we have signed does not fully reflect the wishes of the public associations I represent. I would say that the reasons for that are mostly objective. We have held lengthy discussions, had disputes, both with other parties to the Memo and within the Coalition. Let me also say that quite a few of our suggestions have been accepted. We wanted to achieve more, but have only succeeded in some. But I would like to reiterate that the document signed represents the first and important step towards transparency. And we are hopeful that our trilateral cooperation will be continued and as a result of our collective effort transparency in the extractive industry will gradually increase. We hope the British government, the author of the Extractive Industry Transparency Initiative, and the Azerbaijani government, which has volunteered to join the initiative, will continue taking effort to that end. Our hopes are boosted by the fact that the EITI is enjoying the support of international organizations and financial institutions. In particular, I would like to point to the support of the Open Society Institute.

In conclusion of my remarks, I would like to take this opportunity to thank, on behalf of the Coalition, all other parties to the Memorandum for their cooperation. I am grateful also to the heads of all public associations for entrusting me this honorable mission today.

Thank you for your attention.