Azerbaijan

Capital: Baku
Population: 9.6 million
GNI/capita, PPP: US$7,590

Source: World Bank World Development Indicators.

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NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

In the face of Azerbaijan’s mounting economic woes, President Ilham Aliyev successfully consolidated his authoritarian rule through a controversial constitutional referendum in September 2016. The 29 constitutional amendments—rushed through in the absence of parliamentary debate or public consultation—expanded the powers of an already overreaching executive while chipping away even more at accountability mechanisms and fundamental rights. Changes to minimum age requirements for parliamentary and presidential candidates led to speculation that President Aliyev is paving a path to political office for his 19-year-old son, Heydar, named for his grandfather, the country’s president from 1993 to 2003. The authorities prevented opposition groups from campaigning against the referendum and arrested dozens before and during three anti-referendum protests. The legitimacy of the vote was further undermined by video footage of ballot stuffing.

The referendum came against a backdrop of social tension driven by deteriorating economic conditions. The dramatic drop in global oil prices in summer 2014 sent the economy into a tailspin and exposed both the lack of long-term economic planning and the weakness of the banking sector. Over-reliance on energy revenues (80 percent of the 2015 state budget), combined with heavy dependence on imports for basic commodities, has proven disastrous for the economy. The millions spent hosting the Formula 1 Grand Prix in June was an indulgence the government could ill afford in the wake of the economic crisis.

In January, a series of public protests against price hikes and unemployment erupted around the country. The response was swift and brutal, delivered through tear gas, water cannons, rubber bullets, and mass arrests. The Prosecutor General’s Office and Interior Ministry accused opposition activists, along with “radical and religious extremist groups,” of manipulating public anxiety in order to destabilize the country. This line of rhetoric was invoked repeatedly throughout the year; following the attempted coup in Turkey in July, Baku closed the progovernment Azerbaijani News Service (ANS), citing the need to prevent “terrorist propaganda.”

The decline in economic fortunes precipitated a shift in Baku’s political calculus, and the government made limited overtures towards Western partners during 2016. This was most clearly illustrated by the release of several high-profile political prisoners as part of the traditional Novruz amnesty in March, two weeks before President Aliyev traveled to the United States for the Washington Nuclear Summit. September saw steps to restore relations with the European Parliament. But writing from jail prior to her own release on probation, journalist Khadija Ismayilova warned against allowing political prisoners to be used as “bargaining chips.” Ultimately, the pardon tradition is an additional reminder that individual freedoms are arbitrarily bestowed rather than institutionally guaranteed.

Moreover, the wider context to the prisoner releases—the constitutional power grab and the continuing crackdown on individual freedoms—strongly indicates ad hoc strategic maneuvering rather than a genuine opening towards civil society.

The persecution of civil society, including human rights defenders, opposition members, lawyers, NGO leaders, journalists, religious leaders, and their families, continued throughout 2016. Opposition leader Ilgar Mammadov remained behind bars in contravention of a European Court of Human Rights ruling for his release. The “revolving door” policy of the country’s jails continued to operate. The day of Ismayilova’s release, for instance, two more journalists were detained. The country’s small but energetic civil society was eviscerated following the summer 2014 crackdown. The impact of political repression is compounded by restrictive NGO legislation that severely limits access to foreign funding. Without independent local partners to implement projects, international development programs gain little traction. A $4.7 million aid package from the European Union and Council of Europe on improving human rights, democracy, and rule of law will run until the end of 2017, its mid-term evaluation took place less than a month after the UN Special Rapporteur on the situation of human rights
defenders condemned the Azerbaijani government’s continuing “criminalisation of peaceful and legitimate activities.”

Space for independent media continued to contract. As of December 2016, there were nine journalists and bloggers in jail. The sustainable development of this sector is precluded by the combination of political and economic pressures, illustrated by the closure of the newspaper Azadliq in August. The primary sources of independent news come from outside Azerbaijan, via in-country journalists who often work anonymously. Harassment of journalists and their families continued apace; for instance, contributors to the Berlin-based Meydan TV faced telephone death threats, arbitrary travel bans, and interrogations.

In April, brief but heavy fighting with Armenian forces erupted along the militarized line of contact with the disputed Nagorno-Karabakh territory, a region of Azerbaijan held by Armenian separatists since 1994. The “four-day war” resulted in nearly 200 deaths on both sides of the conflict and provided a major boost to nationalist sentiment.

For Azerbaijan’s government, the global threat of violent Islamic extremism is simultaneously a point of vulnerability and source of political leverage, given its position as an almost entirely Muslim country that borders both the North Caucasus and Iran. The struggle against extremism has become a blanket justification for stamping out political or quasi-political dissent. Following last year’s police raid in the conservative Shiite Muslim town of Nardaran, Muslim Unity Movement founder and Shiite cleric Taleh Bagirzade is standing trial along with 17 others for charges including conspiracy to overthrow the government. Opposition political activist Fuad Gahramanli was convicted for “public calls against the state” after he spoke out for the accused on his Facebook page.

While the government has taken some measures to combat petty corruption, evidence of high-level corruption continued to emerge throughout 2016. The Panama Papers leaks exposed further details of the Aliyevs’ “offshore empire”; political and economic interests remain closely intertwined.

Score Changes:

- **National Democratic Governance rating declined from 6.75 to 7.00** due to the regressive amendments enacted by the constitutional referendum and continued persecution of political opposition.
- **Corruption rating declined from 6.75 to 7.00** due to ample evidence of total state capture accumulated over the course of several years, and confirmed in 2016 by reporting on how elites benefited from 2015 devaluation and the Panama Papers leaks documenting parts of the ruling family’s offshore holdings.

As a result, Azerbaijan’s Democracy Score declined from 6.86 to 6.93.

Outlook for 2017: According to the World Bank, Azerbaijan’s economic slowdown will continue in 2017, which may precipitate further domestic unrest. The outbreak of fighting between Azerbaijani and Armenian forces along the Nagorno-Karabakh frontline in April marked the most serious ceasefire violation since the 1994 truce. The increased militarization of the Line of Contact, including Yerevan’s recent acquisition of powerful new Russian missiles, could result in more tensions in 2017.

President Aliyev encapsulated his foreign policy vision in his October declaration to the cabinet that “cooperation is one thing, while integration is another.” Azerbaijan will pursue strategic energy and trade partnerships with Western partners while continuing to ignore the international human rights standards entailed by “integration.” Although local civil society has been eviscerated, independent media is reaching growing numbers of Azerbaijani youth via social media, and there is a small but thriving
culture of citizen journalism and political debate. The authorities already perceive this as a threat and are likely to take action against it.
MAIN REPORT

National Democratic Governance

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- September’s constitutional changes further distorted the separation of powers, eroding accountability mechanisms while consolidating the president’s personally administered network of loyalty and patronage. The constitutional reforms extended the presidential term from five to seven years; term limits were previously eliminated by a 2009 constitutional referendum. The president gained the authority to dissolve the 125-member Milli Majlis (National Assembly) under certain circumstances, to call snap presidential elections, and to appoint two vice presidents. The minimum age for presidential candidates (previously 35) has been abolished, while the age for election to parliament is now 18 (previously 25), leading to speculation that the president’s 19-year-old son, Heydar, is being prepared for political office. More restrictions on certain rights have been introduced: freedom of assembly is now contingent on “public order and morality,” the right to ownership of land may be restricted in the interests of “social justice and effective land use,” and citizenship can be withdrawn “in accordance with the law.” Other articles concerning “propaganda” (Article 47) and interpreting proportionate restrictions on rights and freedoms (Article 71) could be used to restrict fundamental freedoms even further.

- The drop in global oil prices that started in the summer of 2014 precipitated a major economic crisis in Azerbaijan. By January 2016, the manat had lost one third of its value, while rising commodity prices and unemployment sparked a series of protests across at least six regions. In Füzuli and Guba, troops were deployed to break up the demonstrations, which officials accused opposition parties and “radical and religious extremist groups” of organizing. At least 55 people were detained. The government subsequently lowered the price of flour.

- In April, fighting broke out between Azerbaijani and Armenian forces along the militarized line of contact with the disputed Nagorno-Karabakh territory, claiming more than 200 civilian and military fatalities on both sides of the conflict. The brief “four-day war” marked the worst outbreak of violence in the two decades since a fragile peace was brokered with Armenian separatists, who have held the region since 1994. The small strategic gains the Azerbaijani forces made provided a major boost to nationalist sentiment in the midst of the economic crisis, leading to speculation that Baku’s military operation was, in part, an attempt to distract from domestic woes. The Ministry of Defense attempted to suppress information about combat deaths.

- Likely in recognition that any potential support from international financial institutions is conditional on basic reforms, Baku has made some overtures towards reconciliation with Western partners. Several high-profile political prisoners were released two weeks before Aliyev traveled to the United States to attend the Washington Nuclear Security Summit in March. Dialogue with the European Parliament, frozen since 2012, was reopened.

- Civil society and rights groups believe these moves represent cosmetic tweaks rather than a genuine reversal of authoritarian trends, especially in light of the undemocratic constitutional referendum. Progovernment media and the controlled academic community continue to pump out anti-Western propaganda. In June, the Head of the Presidential Administration, Ramiz Mehdiyev, published an excerpt from his new book on the importance of developing a strong state to combat the threats of globalization, represented by the U.S., U.K., international financial institutions, multinational companies, and local civil society.

- The government says it has taken initial measures to improve regulation and strengthen macroeconomic policy, having declared 2016 “the year of deep economic reforms.”
supervisory organ to provide uniform regulation of the financial market was established in February, and the new Center for Analysis of Economic Reforms and Communications was launched in April. July saw the creation of the Financial Stability Council under the prime minister, with Natiq Amirov—the president’s adviser on economic reform—and the ministers of finance and economy among its members. The Financial Stability Council will review current regulations and produce an economic threat assessment for the president. As part of a $500 million loan package from the Asian Development Bank awarded in December, Baku will receive $1.2 million in technical assistance in order to strengthen economic policy.

The first lady’s family, the Pashayevs, continue to play an influential role in governing. The aforementioned presidential adviser on economic reforms, Natiq Amirov, is a close friend of the first lady’s family. In January, another close friend of the family, Ramin Guluzade, was appointed as Minister of Communication and High Technologies. While the Pashayevs do not hold any of the “power ministries” and are not represented in the Presidential Administration, family members and their friends enjoy significant influence in the financial and educational sectors in particular.

- A major event in 2015 was the sudden dismissal of former Minister of National Security (MNS) Eldar Mahmudov and former Minister of Communications Ali Abbasov on corruption charges. During 2016, neither case was formally investigated, and public information remained scant. Exposing the full details of ministerial-level corruption would risk undermining both the president’s personal authority and the public image of the government as a whole. However, in October, the Prosecutor General told a reporter that Mahmudov’s arrest was not out of the question. In the meantime, lower-level officials are facing criminal charges, notably General Akif Chovdarov of the MNS, who is standing trial for embezzling state funds.

Electoral Process

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- The 26 September constitutional referendum took place amidst a host of electoral violations and in the absence of public or parliamentary debate. Although the proposed amendments envisaged major changes to the country’s political system, the entire process—from submission of the president’s draft bill to the Constitutional Court up through voting day—was conducted in just nine weeks. The president did not consult parliament at any stage; in fact, he submitted his bill a week into the summer recess, which ran until after the day of the referendum. The Council of Europe’s Venice Commission (VC) noted that the absence of parliamentary debate and public consultation runs counter to the notion of representative democracy and undermines the constitutional legitimacy of the reforms. Many of the criticisms echoed those the VC identified in regard to the 2009 referendum: lack of public outreach and parliamentary consultation, too many issues on the ballot, the extremely compressed timeframe, and vague drafting. The president dismissed the evaluation as “politically driven.”

- During the run-up to the referendum, the Central Election Commission (CEC) denied opposition parties’ applications to campaign against the proposed changes, which meant they did not have access to coverage on national public television. The “Republic” campaign group, established by the Musavat Party, was denied registration on the grounds of invalid signatures. The REAL movement ended its signature collection after the authorities began arresting those involved, including REAL movement executive secretary Natiq Jafarli, and confiscated their campaign flyers. Jafarli was released in September, but the criminal charges are pending. Several other REAL activists were also detained, along with members of the NIDA youth movement.
• Although opposition groups had obtained authorization to hold anti-referendum rallies on 11, 17, and 18 September, dozens of activists, party members, and journalists were detained by police. At least 45 people were warned, arrested, and detained in advance of the 17 September protest, and a minimum of 30 people were detained during the Musavat party’s 18 September demonstration.

• Voting day itself was punctuated by reports of procedural violations and outright fraud. Over the past few years, the authorities have made progressively less effort to conceal electoral violations and fraud: by lunchtime on voting day, independent media outlets were sharing footage of ballot stuffing obtained from the Central Election Commission’s official webcam. Perpetrators made no discernible effort to disguise their actions. Azerbaijan’s leading election monitoring NGO, the Election Monitoring and Democracy Studies Center, stated that under these conditions, “the will of the people was not expressed.”

• Nonetheless, PACE’s small ad hoc observation mission declared itself satisfied with the “transparent, well organised, efficient and peaceful” nature of proceedings and the absence of serious violations. The statement provoked outcry among Azerbaijani civil society. By contrast, a statement by U.S. Chairman of the Helsinki Commission, Congressman Chris Smith, called the vote “the culmination of a process that lacks legitimacy.”

• The government announced 91 percent approval of all of the 29 proposed changes, with a turnout of 70 percent. Local civil society groups have expressed skepticism regarding the turnout figure.

Civil Society

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• During the third year of the government’s crackdown on civil society, individuals continued to face unjust imprisonment, arrests, prosecutions, harassment, travel bans, and police brutality. Although several high-profile political prisoners were released and the bank accounts of eight NGOs were unfrozen, civil society representatives are skeptical of suggestions that Baku is undergoing a fundamental policy shift.

• On 17 March, 15 political prisoners were pardoned by presidential decree, including two prominent civil society leaders: Human Rights Club director Rasul Jafarov and Democracy Studies Center head Anar Mammadli. Also freed were human rights defender Taleh Khasmammadov; N!DA civic movement activists Rashadat Akhundov, Mammad Azizov, and Rashad Hasanov; former government official Akif Muradverdiyev; chairman of the National Statehood party Nemat Penahli; and Musavat party activist Yadigar Sadigov. Three more political prisoners had their sentences commuted: human rights lawyer Intigam Aliyev on 28 March and journalists Khadija Ismayilova and Rauf Mirkadirov. Human rights defenders Leyla and Arif Yunus, released last year on humanitarian grounds, were allowed to leave the country in April for medical treatment in the Netherlands. However, none of the convictions have been vacated; in October, Jafarov’s appeal to have his conviction lifted was denied, and his bank account remains frozen.

• Notwithstanding these positive developments, the UN Special Rapporteur on the situation of human rights defenders condemned the continuing “criminalisation of peaceful and legitimate activities” following his country visit in September. Local human rights monitors estimate that around 120 people remain behind bars on politically motivated charges, including youth activist Ilkin Rustemzade and opposition REAL movement leader Ilgar Mammadov, whose release has
been ordered by the European Court of Human Rights.\textsuperscript{71}

- Opposition movements were repeatedly targeted, and police brutality remained a problem. For instance, on 10 May, two youth activists, Giyas Ibrahimov (Solfront) and Bayram Mammadov (N!DA), were arrested for alleged heroin possession. The previous day, Ibrahimov had painted political graffiti on a statue of former president Heydar Aliyev while Mammadov took photographs that were published online. Initially denied access to a lawyer, both report being beaten and threatened by police during their detention.\textsuperscript{72} The Baku Grave Crimes Court shocked observers by sentencing first Ibrahimov and then Mammadov to 10 years in jail.\textsuperscript{73} In November, youth activists Elmir Tahmin (N!DA) and Tapdig Mammadov were detained in the northern city of Ganja after spray-painting “No to dictatorship” on a statue of Heydar Aliyev. They were sentenced the following day to 30 days in prison, and Tahmin’s mother was fired from her job at a local factory.\textsuperscript{74}

- Restrictions on civil society continue to jeopardize Azerbaijan’s cooperation with several international organizations. In May, the Open Government Partnership (OGP) Steering Committee suspended Azerbaijan’s participation for one year, due to concerns about the threats faced by civil society.\textsuperscript{75} No other OGP member has ever been issued this sanction. For similar reasons, Azerbaijan remained at the level of “candidate country” within the Extractive Industries Transparency Initiative (EITI) following its downgrading in 2015. The EITI has given Baku until July 2017 to reform its NGO laws or face suspension.\textsuperscript{76}

- Obstacles to establishing, registering, and operating NGOs remained in force. Stressing the importance of unfettered and dynamic civil society in Europe, PACE Resolution 2096 (2016) specifically cited Azerbaijan as cause for serious reiterated concerns in this regard.\textsuperscript{77} In February, the Ministry of Justice published a new set of guidelines empowering regional Ministry officials to inspect and sanction domestic and foreign NGOs.\textsuperscript{78} Officials actively promoted Azerbaijan as a bastion of religious tolerance, touting relationships with the country’s tiny Jewish and Catholic minorities as evidence.\textsuperscript{79} However, Muslims continued to be targeted in relation to fears about Islam as a mobilizing force, whether Shiite or Sunni.\textsuperscript{80} Azerbaijan’s political prisoners include dozens of religious believers and activists, most prominently Taleh Bagirzade, a Shiite cleric and founder of Muslim Unity Movement, a conservative Shiite group. Eighteen members of the movement, including Bagirzade, were tried in August for charges that include conspiracy to overthrow the government in relation to the “Nardaran case.”\textsuperscript{81} In November 2015, 76 people were rounded up in a police raid in the conservative Shiite Muslim town of Nardaran in which at least four residents and two police officers were killed. Several of the defendants say their confessions were obtained through torture.\textsuperscript{82} Opposition political prisoner Fuad Gahramanli was convicted for “public calls against the state” after he spoke out for the accused on his Facebook page.\textsuperscript{83} In October, Ogłay Gulaliyev, leader of the civil society initiative Azerbaijan Without Political Prisoners, was warned by Interior Ministry officials to cease his advocacy for the defendants.\textsuperscript{84} Azerbaijan remained on the U.S. Commission on International Religious Freedom’s Tier 2 “watch list” for the fourth consecutive year.\textsuperscript{85}

- The ILGA-Europe Rainbow Index ranked Azerbaijan the worst place in Europe to live as an LGBTI citizen, based on an evaluation of the laws, policies, and practices affecting these communities.\textsuperscript{86}

**Independent Media**

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• In his opening speech for the 7th Global Forum of the United Nations Alliance of Civilizations (UNAOC), President Aliyev emphasized that “freedom of media [and] free Internet” were among the rights guaranteed—and enjoyed—in Azerbaijan. In reality, media freedom is severely restricted. Independent journalists, and their relatives, face systematic and near-constant harassment. As of December 2016, there were nine journalists in jail.

• Following January’s public protests, presidential aide Ali Hasanov spoke of possible steps to regulate online content, declaring, “Online media in Azerbaijan spreads rumors, non-objective and even provocative materials.” Press Council chairman Aflatun Amashev mooted the regulation of “internet media resources,” highlighting content published on social network accounts as particularly concerning.

• The broadcasting license was subsequently terminated in September after ANS ran a preview of interviewing Muslim cleric Fethullah Gülen, who Ankara blames for the attempted coup. The NTRC stated in July that the intention was to “avert provocations aimed at disrupting strategic relations between Azerbaijan and Turkey, and to prevent overt terrorist propaganda.”

• Defamation remains a criminal offense; in January, journalist Elmur Maharramli was sentenced to 18 months of corrective labor on this charge. In May, Ali Hasanov told the Council of Europe that Azerbaijan was in no hurry to reform the law, and in November, the parliament extended its scope. The ban on “humiliating the honor and dignity of the president” now applies to online content as well as mass media broadcasts, and the severity of the punishment has been increased.

• Another addition to the Criminal Code has made it illegal to disseminate libelous or insulting content as well as mass media broadcasts, and the severity of the punishment has been increased.

• Despite this restrictive media environment, one positive development in 2016 was the release of several imprisoned journalists. The presidential amnesty announced on 17 March freed journalists Parviz Hashimli, Hilal Mammadov, and Tofig Yagublu, and bloggers Siraj Karimli and Omar Mammadov. Journalist Rauf Mirgadirov was conditionally released the same day; Mirgadirov stressed that his release did not equate an acquittal.

• In May, the Supreme Court suspended investigative journalist Khadija Ismayilova’s prison sentence; however, she still faces 3.5 years on probation, a 2-year ban on professional activities, and a travel ban. In October, Ismayilova reported that fake social media profiles advertising sexual services had been created using not only her contact details but also those of her nieces. The use of Ismayilova’s private, unregistered telephone number indicated government involvement. As in the case of civil society, these high-profile releases did not, however, signal a genuine opening towards media freedom. For instance, the day of Ismayilova’s release, photojournalist Elmur Mukhtar and journalist and NIDA activist Amid Suleymanov were temporarily detained, although they were not arrested.

• In June, the editor-in-chief of the news website jam.az, Fikrat Faramazoglu, was arrested on charges of extortion. The court has refused to review his torture allegation. A criminal investigation was opened into Meydan TV, an independent online media outlet operating in exile from Berlin. The charges include illegal entrepreneurship, large-scale tax evasion, and abuse of power. Journalists and their families have been repeatedly summoned for questioning, and several face travel bans. In October, contributors Aynur Elgunesh and Sevinc Osmanqizi received telephone death threats. Elgunesh was in Baku and Osmanqizi was in the United States at the time.

• Following the attempted coup in Turkey in July, the National Television and Radio Council (NTRC) suspended the broadcasting license of private progovernment television channel ANS. The broadcasting license was subsequently terminated in September after ANS ran a preview of an interview with Muslim cleric Fethullah Gülen, who Ankara blames for the attempted coup. The NTRC stated in July that the intention was to “avert provocations aimed at disrupting strategic relations between Azerbaijan and Turkey, and to prevent overt terrorist propaganda.”

• The Gülen-linked newspaper Zaman-Azerbaijan and Zaman.az webpage were also shut down. Azerbaijan’s Press Council called for the Azerbaijani media “to show sensitivity on the vital incident in [our] sister country Turkey.”
• On 6 September, the newspaper Azadliq suspended its print version after its publishing house terminated its contract due to outstanding debts. Two weeks earlier, its financial director, Faig Amirov, was arrested for alleged connections with the Gülen movement. Amirov has been denied medical treatment in jail.

• Independent news websites faced a series of cyber attacks at the end of the year. The websites of RFE/RL and Voice of America were blocked inside Azerbaijan from 28 November to 2 December, and again on 12 December. On 24 December, the Azadliq site was blocked; two days later, many people inside Azerbaijan reported being unable to access Meydan TV’s site from desktop computers.

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• Political and administrative power is heavily centralized within the presidential administration, with regional leaders appointed directly by the president. Azerbaijan consists of nine regions and the Autonomous Republic of Nakhchivan; these, in turn, are divided into 78 districts and cities. Nakhchivan is run as the private fiefdom of noted autocrat Vasif Talibov—related by marriage to President Aliyev—and the exclaves rarely features in “mainland” political discourse. However, Nakhchivan’s political interests are closely safeguarded by the ruling elites. Along with the president himself, key members of the political old guard hail from Nakhchivan, including the head of the presidential administration, Ramiz Mehdiyev, and Minister of Emergency Situations Kamaladdin Heydarov, one of the most powerful minister-oligarchs.

The constitution provides for two parallel systems of local governance: local executive committees headed by presidential appointees and municipal councils directly elected by citizens. The president defines the authority of the local executive powers, whereas the role of municipal councils—their competences, responsibilities, and obligations—is both limited and poorly defined. There are no regional or city legislatures. Municipal elections are held every five years. The most recent were in December 2014.

• Although Azerbaijan has signed the European Charter on Local Self-Government, recommendations by the Council of Europe’s Local and Regional Democracy monitoring committee in 2003 and 2013 remain largely unaddressed. For instance, the mayoralty of Baku remains an unelected position, despite repeated calls by the Council of Europe to change this status quo. The current mayor has been in office since 2001.

• Municipalities are chronically underfunded; given the rising budget deficit, this did not improve during the year. The 2016 state budget allocated AZN 5.2 million to municipalities, noted as clearly insufficient by the local NGO Support to Economic Initiatives Public Union. Regions and cities were allocated 1.54 million AZN for 2016, a 7-percent drop from 2015. The urban-rural divide is enormous in terms of socioeconomic standards.

• Under the constitutional changes introduced in September, municipalities have become liable for human rights violations, meaning they can be sued by individuals. This has been linked to the new constitutional restriction on individual property rights, which empowers municipalities to confiscate land from citizens in the interests of “social justice and effective land use.” In order to reduce corruption in this field, the government has shifted liability directly onto municipalities.

• In April, the government announced the National Action Plan for 2016–18 on the Promotion of Open Government, which includes a component on capacity building of municipalities.
Judicial Framework and Independence

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- Although the constitution guarantees the separation of powers, the judicial system functions as an instrument of the executive branch to punish dissent. In March, a Council of Europe report reiterated that the “strong influence” of the president in various aspects of the criminal justice system poses an ongoing threat to judicial independence. As of December 2016, the country had 118 political prisoners. Traditionally, there are two main presidential amnesties a year, at New Year and Novruz (in March), a poor substitute for a robust, transparent judicial process.

- The constitutional changes introduced in September pose “a serious threat to the independence of the judiciary,” stated the Venice Commission (VC). The president may now dissolve parliament if it twice rejects his judicial nominees for the Constitutional Court or Supreme Court, whereas the Office of Prosecutor General is a direct presidential appointment. The Constitutional Court does not provide effective oversight. Its judges confirmed the constitutionality of the proposed changes within a week; however, the VC identified multiple problems.

- Amendments to the already strict existing provisions on martial law impose bans on “rallies, marches and pickets,” as well as expanding controls over media broadcasts and individual communications, including social media and email correspondence. These amendments would strengthen the state’s ability to control the conflict narrative, and limit the public’s ability to question the government’s decision-making, for instance, in case of renewed conflict over Nagorno-Karabakh.

- In 2016, Azerbaijan’s domestic courts issued a series of politically motivated decisions. Notable among these was the 18 November Supreme Court ruling to uphold the conviction of REAL movement leader Ilgar Mammadov, whose release the European Court of Human Rights (ECHR) ordered in 2014. This is further illustrated by the “Nardaran trial” in August in which 18 members of the Muslim Unity Movement faced charges of attempting to violently overthrow the government; a number of the accused alleged that their confessions were extracted through torture. Following the July coup attempt in Turkey, the Prosecutor General’s office announced in August a criminal case against alleged supporters of Turkish cleric Fethullah Gülen; four people (including a member of the AFTP opposition party) have been arrested.

- As in previous years, numerous cases were filed with the ECHR due to the failure of local courts to provide justice. As of December 2016, Azerbaijan had 1,600 cases pending in the court (2.1 percent of the court’s caseload), and there were seven judgments against Azerbaijan. The ECHR ruled in 2016 that Azerbaijan had violated the rights of three political prisoners, human rights defenders Rasul Jafarov (four violations, including right to liberty and security) and Leyla and Arif Yunus (two violations, including prohibition of inhuman or degrading treatment).

- Lawyers who take on politically sensitive cases risk disciplinary proceedings and/or judicial harassment. The lack of independence of the Bar Association (also known as the Lawyers Collegium) was flagged as “a serious concern” by the International Commission of Jurists in June. Muzaflar Bakhishov faces disbarment following a complaint over his comments to the media about the Supreme Court chairman. The Bar Association’s disciplinary proceedings against Yalchin Imanov, who represented Khadija Ismayilova, are pending. In July, Asabali Mustafayev was placed under a second travel ban. Two more lawyers, Elchin Sadigov and Fariz Namazli, faced harassment and threats in November.
• Consequently, there is an increasingly limited pool of lawyers willing and able to take on politically sensitive or human rights cases, both domestically and at the ECtHR. The conditional release of prominent human rights lawyer Intigam Aliyev in March was welcome news, but the overall working conditions for lawyers remain extremely restrictive.

• The UN Working Group on Arbitrary Detention’s postmission statement in May identified a litany of human rights violations, including torture, ill treatment of detainees, and the state’s use of criminal or administrative charges to restrict the basic human rights of journalists, human rights defenders, and political and religious leaders. The group also flagged the extreme vulnerability of children and juveniles within the criminal justice system.

• Inhuman or degrading treatment by police remained a pattern during 2016, highlighted by the ECtHR’s February judgment on the case of Hilal Mammadov, a Talysh minority journalist. In May, detained youth activists Giyas Ibrahimov and Bayram Mammadov reported police violence during their interrogations, as did journalist Fikrat Faramazoglu.

**Corruption**

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• Corruption remains widespread and pervasive. For years, Azerbaijan has performed poorly in global corruption rankings, and as long as the ruling elites continue to enrich themselves at the expense of the public purse, government anticorruption measures will have limited impact.

• This is most powerfully illustrated in the investigation by the Organized Crime and Corruption Reporting Project alleging that the ruling family benefitted—to the tune of $64 million—from the devastating currency devaluation in December 2015. Three banks owned by either the Aliyev family or their longtime business associate Ashraf Kamilov violated several national banking regulations to achieve this but have faced no consequences.

• The Panama Papers leaks exposed the Aliyevs’ “offshore empire,” comprising a web of companies with interests in the country’s banking, telecommunications, construction, mining, oil, and gas industries. A controversial gold mine project revealed to be controlled by the president’s two daughters was—on the president’s orders—bailed out by the state-owned company after the venture failed. Several allies and advisors were also named in the resulting investigations, including Tax Minister Fazil Mammadov.

• The rotten core of the country’s banking sector was laid bare by the economic crisis. The Central Bank, and then (from February) the new Financial Markets Supervisory Authority, scrambled to overhaul the financial sector, revoking the licenses of 11 banks and pushing others to merge. A host of violations were discovered, including failure to meet minimum capital requirements and false reporting. None of the banks linked to the presidential family were targeted in the cleanup.

• Bribery is not merely a domestic matter. Former Italian MP and PACE member Luca Volontè is under investigation for corruption following allegations that in 2013 he received €2.4 million ($2.53 million) from Azerbaijani officials to ensure his colleagues voted against a report on political prisoners in Azerbaijan. In October, an investigation into the International Boxing Association (AIBA) revealed that, in 2010, the organization received a $10 million loan from a private company in Azerbaijan, ostensibly for a new boxing league in North America. However, not only was the loan never repaid, over $4.5 million remains unaccounted for. Several former AIBA officials suspect a “medals-for-money scheme.”

• In May, the UN Working Group on Arbitrary Detention reported allegations of corruption at detention facilities, with officials, for instance, illegally charging for family visits.
• Initiatives such as the National Action Plan for 2016–18 on the Promotion of Open Government will struggle to address systemic corruption against this backdrop of impunity for the ruling family. The government has focused instead on steps to tackle low-level corruption. ASAN Xidmet, a government-operated network of eleven mobile and permanent service points intended to streamline public service delivery, is being expanded to cover three new regions in the next two years. The State Agency for Public Service and Social Innovations reports 98 percent user satisfaction. In May 2016, the State Customs Committee launched a pilot project for electronic declaration of goods and transport, aimed at streamlining procedures and improving transparency.

• In July, the Main Anti-Corruption Department reported that during the first half of 2016, corruption cost the country AZN 33.2 million ($18.5 million), approximately 17 percent of which was recovered.

• While punitive actions against certain senior officials suggest that the government wants to signal a tough approach on corruption, the inner circle remains exempt. Safar Imanov, former head of the State Committee for Family, Women and Children Affairs, faces charges of fraud and abuse of power. In October, Jahangir Hajiyev, former head of the state-owned International Bank of Azerbaijan was convicted of fraud and abuse of power and sentenced to 15 years in jail. Seven others were also indicted and sentenced.

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