

# impact

AZERBAIJAN

## Trends in Alternative Energy

- ★ Renewables: Key to Balancing Energy Trilemma
- ★ How to Avoid Greenwashing in Corporate Sustainability Reporting
- ★ Becoming A New Age University: Sustainable University Model of MSU

### CELEBRATING 25TH YEAR IN AZERBAIJAN

2030 Sustainability Goals of Procter & Gamble

Developing "Water-Free" Laundry Technology in Space with NASA

"3R" Vision for Plastic Use and Saving 5 Billion Liters of Water Through Reuse





# Welcome to AMCHAM

## Members



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## Associate





## Issue 43

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## A Word From Executive Director of AmCham



Dear members,

Welcome to the 43<sup>rd</sup> edition of IMPACT Azerbaijan magazine dedicated to Trends in Alternative Energy. In this edition of the magazine, contributions of AmCham Azerbaijan in growing our economy via alternative energy are represented. AmCham Azerbaijan is committed to raise the awareness about the alternative energy among its members and encourage the transformation of their strategies in this direction. With this purpose, we have devoted one of our Monthly Luncheons to the green opportunities in Azerbaijan where experts on alternative energy invited from U.S. to share their valuable knowledge and experiences with AmCham members. The event also featured organization of bilateral meetings between AmCham member companies and the U.S. businesses interested in supporting the advancement of Azerbaijan's renewable energy ecosystem. Furthermore, we have also been involved in the Capstone Project on "Prospects and Challenges of Driving Sustainable Growth in Azerbaijan through Green Energy" written by intellectual students. As AmCham Azerbaijan, we have supported the students with expert direction and assisted them to access the resources required to complete the project. The students were given an opportunity to get in touch with AmCham Sustainable Development and Corporate Impact committee and the US companies invited to the AmCham Luncheon and to collect the comprehensive data on possible prospects and challenges of green energy deployment in Azerbaijan. On top of that, within the framework of AmCham Sustainable Development and Corporate Impact committee, the Chamber is also closely cooperating with the government and organizing important meetings, workshops and events with participation of government officials. Moreover, we have been participating in remarkable events organized by the governmental organizations on alternative energy and sharing our plans, projects, experiences and contributions in the field. To conclude, AmCham Azerbaijan will continue to put a special emphasis on alternative energy and contribute to the improvement and growth of the economy of the country. To do so, we will continue to involve in different projects, maintain fruitful public-private dialogue and pursue the bright ideas of our members.

Best regards,

**Gulnara Aslanbayli**

## Editor's Comment



Dear friends, members of AmCham Azerbaijan,

I'm very much pleased to welcome you on 43<sup>rd</sup> edition of IMPACT magazine. Over the latest periods, alternative energy has been one of the important issues of Azerbaijani government, as well as discourse among business community members. For this reason, the magazine covers this fundamental issue, by highlighting various matters touching to trends in alternative energy.

We are pleased to bring into your attention perspective of the government, having an interview with Minister Shahbazov, who touched to various key matters. At the same time,

AmCham hub of experts from the business community provided in-depth viewpoints covering the recent development trends globally, challenges and perspectives of progress for Azerbaijan, application of GIS system, utilizing know how in production, port business, academic world, as well as meeting customer needs in dynamically changing world with innovative products.

Having an opportunity, I would like to appreciate for our advertisers – Procter & Gamble and Sustainera Solutions.

Enjoy reading the magazine.

Sincerely,  
**Aykhan**

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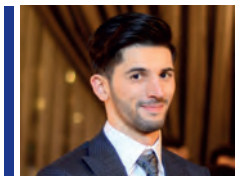
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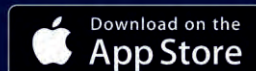
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# Interest in Our Country as a Reliable Energy Supplier is Increasing



**Special interview with  
Parviz Shahbazov**  
Minister of Energy  
of the Republic of Azerbaijan

until 2030. The renewable energy technical potential of 135 GW onshore and of 157 GW offshore, the transformation of liberated territories and Nakhchivan into a green energy zone, the goal of reducing carbon emissions by 40% until 2050, and the growing interest in energy supply from Azerbaijan have necessitated the development of green energy.

By 2030, it is aimed to increase the share of renewable energy sources to 30% of the total installed capacity of electricity in the country. Currently, cooperation with international energy companies on large-scale projects allows this indicator to be higher. I believe 2030 is a year when Azerbaijan achieves significant progress in energy efficiency, production, consumption and export of green energy, and in the implementation of the “green agenda” in general.

## **How do you assess the importance of Azerbaijan in the energy supply of the region as a whole?**

Azerbaijan has always implemented an open and transparent energy policy. Our energy initiatives have served to the mutual trust and cooperation among all countries. Continuity of energy supply has been ensured. Therefore, interest in our country as a reliable energy supplier is increasing. Today, the number of such countries is more than 10. Azerbaijan has contributed to the regional and global energy security for many years with oil and then with natural gas, and today is trying to diversify its contributions towards green energy.

The last year 26 million tons of produced oil, 22.6 billion cubic meters of gas, and 3 billion kWh of electricity were exported. Italy, Israel, Spain, India, Great Britain, Croatia, Czech Republic and Portugal have accounted for 73% of oil exports, and other countries have accounted for 27%. Türkiye has accounted for 37% of gas, Georgia for 12%, and Europe for 51%. In the distribution of electricity exports, Türkiye has the largest share with 44% and Georgia with 38% indicators. In 2022, the signing of “Memorandum of Understanding on Strategic Partnership in the field of energy between the European Union and Azerbaijan”, “Agreement on strategic partnership in the field of development and transmission of green energy between Azerbaijan, Georgia, Romania and Hungary”, “Memorandum of Understanding on cooperation between transmission system operators of Bulgaria, Romania,

## **What is the government’s vision for green energy for the period up to 2030 within the framework of sustainable energy security?**

Unlike many countries, Azerbaijan does not develop green energy in order to ensure energy security. The energy security and energy independence are fully ensured by abundant energy resources and diversified routes. At the same time, Azerbaijan plays a strategic role in ensuring the energy security of regional and European countries and is a reliable energy supplier.

In this aspect, Azerbaijan is developing green energy not to ensure its energy security, but rather its partners, and to become a green growth country with a clean environment by 2030. The expansion of the use of renewable energy sources, the development of green energy is a state policy implemented under the leadership of the President of the Republic of Azerbaijan, H.E. Ilham Aliyev. It is one of the priorities of the socio-economic development strategy of the country



Hungary and Slovakia and SOCAR” with participation of the European Commission demonstrates that the alternative energy initiatives of our country are supported by the European Union and Azerbaijan is recognized as a pan-European energy supplier. The expansion of the Southern Gas Corridor, the development of the “Solidarity Ring” and “Caspian-European Green Energy” corridors will further strengthen Azerbaijan’s position in the energy supply of the region and Central-Eastern European countries.

#### **What is the contribution of renewable energy sources to the electricity export and future prospects in this direction?**

Currently, a number of foreign investment-based projects are being implemented in the field of renewable energy. Herein, we cooperate with “Masdar”, “ACWA Power”, bp, “Fortescue Future Industries”, China Gezhouba Group Overseas Investment”, “Total Energies” and Nobel Energy Management” on more than 28 GW of green energy projects. The 230 MW “Garadagh” SPP will be ready for operation by the end of this year. By 2030, it is planned to create production capacities of 7 GW gradually. Depending on domestic consumption and export requirements, these volumes are expected to increase significantly by 2037 and beyond.

These projects are of decisive importance in transformation of Azerbaijan’s energy system to renewable energy, as well as becoming an exporter of green energy. At the initial stage, 4 GW of these powers are expected to be exported to Europe via the Black Sea and 1 GW to be exported via Nakhchivan to Turkey and Europe. Currently, measures are being taken in this regard.

#### **What can you say about the usage of renewable energy potential of the liberated territories?**

According to the decision of the President of the Republic of Azerbaijan, H.E. Ilham Aliyev, a “Green Energy Zone” is being created, which provides for the use of ecologically clean and economically efficient renewable energy sources in the territories freed from occupation. The technical potential of renewable energy in these areas is estimated at 10,000 MW. Cooperation is being carried out with bp on the 240 MW “Shafaq” SPP in Jabrayil region. In this framework, the evaluation of the project in the technical and commercial aspects, the design of the power plant, the provision of financing and the adoption of the final investment decision are envisaged.

11 small hydropower plants with a capacity of 53.6 MW have already been restored in the liberated areas. Currently, 7 small hydroelectric power plants with a capacity of 70.5 MW are being built in East Zangezur, and it is planned to start construction of 9 more plants with a total capacity of 76.8 MW this year. At the same time, efforts are being made to attract private investment in the restoration of small hydropower plants. In addition, the 140 MW “Khudafarin” and “Giz Galasi” hydrojunctions and hydropower plants on the Araz River will also contribute to the “green” development of these areas.

The “Smart City” and “Smart Village” projects, which continue to be implemented in the territories freed from occupation, are also of great importance. At present, hydro and solar power are being used in Agali village of Zangilan.

#### **How do you see the cooperation mechanism with the American Chamber of Commerce?**

The American Chamber of Commerce in Azerbaijan (AmCham) has been contributing to the expansion of economic and trade relations between the two countries and the establishment of dialogue between the state and the private sector for many years. The energy sector has always been of strategic importance in Azerbaijan-US relations, as well as in the activities of the American Chamber of Commerce. It is no coincidence that the first area where US companies invested in our country was the oil sector. Today, in accordance with modern global challenges, our country is implementing the green energy course. Steps are being taken to attract private and foreign investments to the development of the renewable energy sector. At this new stage of development, there are opportunities for cooperation with US energy companies. For this purpose, we held the “Azerbaijan-US Green Energy Forum” in April of this year. I believe that promoting the participation of American investors in renewable energy projects in Azerbaijan, holding meetings in B2B format to establish relations with companies specialized in the field of green technologies, and conducting relevant market research to stimulate green investments can be considered suitable directions for cooperation with AmCham.

#### **Biography of our guest**

**Mr. Parviz Shahbazov** was born in Baku on 24 November 1969.

He studied at Azerbaijan State Oil Academy from 1986 to 1992.

Since 1990, he began his diplomatic career at the Department of International Economic Relations of the Ministry of Foreign Affairs of the Republic of Azerbaijan. In 1992-1996, he worked in different positions at the Embassy of the Republic of Azerbaijan to the Federal Republic of Germany.

During the period 2001-2005, Mr. Shahbazov served as Advisor and Chargé d'affaires of the Embassy of the Republic of Azerbaijan to the Republic of Austria.

In 2005, he was the Chairman of the Security Cooperation Forum of the OSCE. The same year, Mr. Shahbazov was appointed as the Ambassador Extraordinary and Plenipotentiary of the Republic of Azerbaijan to the Federal Republic of Germany and served in this position till 2016.

Mr. Shahbazov served as the Ambassador-at-large of the Ministry of Foreign Affairs of the Republic of Azerbaijan during the period 2016-2017. He was appointed as the Minister of Energy of the Republic of Azerbaijan on October 12, 2017.

He is fluent in Azerbaijani (native), Russian, English and German. He is married and has two children.

# Together Towards Azerbaijan's New Energy Future



## Bakhtiyar Aslanbayli

bp's vice president for the Caspian region, communications and external affairs

### Proud of our partnership

At the same time, we believe that investing in the energy transition also means helping the countries where we operate in their journeys towards new energy future. Azerbaijan is one of the key countries for bp in this regard.

Today, Azerbaijan is an established global energy player and symbolic of our AND, not or, strategy. Its huge energy potential helps meet the growing demand, and it contributes to the security and diversity of supply.

We believe Azerbaijan can equally succeed in building the low carbon energy value chains of the future, because it has advanced infrastructure, strong partnerships and abundant renewable energy resources.

As a company, we are deeply proud to have been part of Azerbaijan's exciting energy story for the past three decades. We have been privileged to work with Azerbaijan and global partners and together have developed one of the strongest energy partnerships here.

With our long track record of successful delivery as a leading operator in the Caspian, we are uniquely positioned to operate the Azeri-Chirag-Gunashli (ACG), Shah Deniz, Baku-Tbilisi-Ceyhan (BTC) and joint exploration projects safely, reliably and efficiently. These projects continue to create new local jobs and new opportunities for social development and economic growth.

Now, we are ready to support Azerbaijan in developing its low carbon energy resources.

In bp, we believe the world wants and needs a better and more balanced energy system – one that delivers energy that is secure and affordable, **as well as** lower carbon.

### And, not or

Our strategy helps us do both – invest in today's energy system, which is predominately oil and gas, AND, not or, invest more in our transformation and the energy transition.

And while we're mostly in oil and gas today – as evident in our operations in Azerbaijan, we have increased global investment in our lower carbon, convenience stores and power trading businesses - what we call our 'transition growth engines' - from around 3% in 2019 to around 30% last year. Increasing investment in these engines is a sign that bp's wider transformation is underway.

### how bp can support Azerbaijan's energy transition

As a major foreign investor in Azerbaijan, we at bp have been considering the pathways the country could take to decarbonize its economy. For this, we worked closely with the Ministry of Energy and last year presented a set of recommendations on how Azerbaijan could decarbonize its economy by 2050. It is built on our expertise in low carbon technology and business models worldwide.

This was a first of its kind collaboration for bp and is yet another example of our long-standing relationship with Azerbaijan. We are pleased to be able to help deliver this plan and hope it





ACE platform topsides jacked up on the load-out frame waiting to be loaded onto transportation barge and sailed away offshore.

will be a resource for the country as it makes strides towards a low carbon future.

The possibilities are many - ranging from utilizing the rich renewable potential, such as solar, wind and geothermal, to implementing low carbon solutions, such as carbon capture, hydrogen and ammonia generation.

While bp does not necessarily compete in all these pathways, we are already in action in the certain areas:

- **Decarbonization of the existing oil and gas production.** We are working hard to eliminate routine flaring at our sites and installing methane detectors across our facilities to reduce emissions by 50%. For example, our new Azeri Central East (ACE) platform is designed to be lower carbon. It will be controlled remotely, with most of its systems and tasks automated, which means less travel, fewer shutdowns and outages, and hence lower flaring and emissions.
- **Electrification of facilities.** We are evaluating how to electrify our operations and stop burning fuel gas for power. The electrification of the Sangachal terminal could be a good start. It is currently powered by gas turbines, but it could be connected to the national grid.



Gary Jones, bp's regional president for Azerbaijan, Georgia and Türkiye, and Parviz Shahbazov, Minister of Energy of Azerbaijan, sign an Addendum to the Implementation Agreement on building a 240-megawatt solar power plant in Jabrayil.

This would not only allow us to export the displaced gas through the Southern Gas Corridor, but also reduce our total business emissions by about 11%.

- **Renewables.** We are working with the Ministry of Energy to build a 240-megawatt solar power plant in Jabrayil – we call this project 'Shafag' (Sunrise). We are also progressing an approach that will allow us to offtake the electricity generated there to run our current operations through a model called 'a virtual power transfer'. We believe this new mechanism will enhance the commercial feasibility of the project making it beneficial for all stakeholders. It could also lead to decarbonization of oil and gas operations including ours, and this is exactly in line with what we aim to achieve globally by working to significantly reduce our operational emissions, aiming for net zero by 2050 or sooner.
- **Circularity.** Under Aim 19 of our sustainability plan, we are keeping materials in use for longer to reduce waste, prioritizing recycling and recovery over disposal. In Azerbaijan, we are transforming cooking oil from our site canteens into biofuel with help from a local business. One metric tonne of used cooking oil can produce 1,200 litres of biofuel which when used instead of traditional hydrocarbons, reduces emissions by up to 67% per tonne.

We also understand that Azerbaijan needs skilled local experts to drive future energy businesses. To help with this, we are collaborating the Ministry of Education and Science to establish a new master's degree programme in renewables at the Azerbaijan State Oil and Industry University. We aim to enhance the university's educational infrastructure providing it with learning and teaching resources required as part of the programme.

Also, together with our co-venturers, we recently presented the first ever university textbook in Azerbaijan on renewable energy engineering to support new areas of learning.

We hope these projects will help lay the foundation for training of national engineers in renewables and meet the growing demand in this area, contributing to Azerbaijan's energy transition.

To conclude, Azerbaijan has vast energy potential, and it is uniquely placed to get ahead in the energy transition. We believe there are many exciting opportunities ahead and as the country's trusted energy partner, we are ready to help it shape its new, clean energy era.

#### **Biography of our guest**

**Mr. Bakhtiyar Aslanbayli** is bp's vice president for the Caspian region, communications and external affairs. Mr. Aslanbayli carries 25 years of experience with a number of leadership roles across external affairs, communications, tax and customs, ethics and compliance, business services. He is the author of one book and more than 50 professional articles. He holds master's degree in International Relations from Baku State University.

In 2017, Mr. Aslanbayli was awarded the "Progress" medal by the President of Azerbaijan for his significant contribution to the development of the oil and gas industry in the country.

# Supporting Sustainability Practices in Production and Meeting Consumer Expectations



**Irakli Gabriadze**  
Senior Director – Country Manager,  
Caucasus and Central Asian Republics  
Procter & Gamble

In today's world, we believe that companies cannot remain indifferent to issues negatively impacting people or the environment. We are aware that brands also have corporate citizenship responsibilities.

As one of the world's largest home and personal care companies, we aim to turn our world into a more livable place for 5 billion people we reach worldwide with our brands, such as Ariel, Pampers, Fairy, and Always. Empowered by our significant operational scale and footprint, we cannot ignore the expectations of our consumers in this regard.

In responding to these expectations and creating a more livable world, our Corporate Citizenship approach has five pillars guiding principles in all our business processes. These are: Environmental Sustainability, Equality and Inclusion, Gender Equality, Governance, and Community Contribution. This vision should be embraced by all organizations striving to leave a better world for future generations and should be embedded in their business processes.

Therefore, we engage in initiatives that benefit society and the environment, prepare corporate citizenship reports, and align with our defined sustainability goals globally and in our country.

## We celebrate our 25<sup>th</sup> year in Azerbaijan and our 186<sup>th</sup> year in the world

As a company, we left our 185<sup>th</sup> year behind worldwide. And we are now celebrating our 25<sup>th</sup> anniversary in Azerbaijan. Since 1998, we have provided innovative products that create value for consumers and enhance their quality of life. By putting sustainability at the core of our innovation efforts, our goal is to improve lives and protect our shared home, the world.

## “Sustainability” for a Better Life

For P&G, “sustainability” means ensuring a better quality of life for everyone, for today and future generations.

## 2030 Sustainability Goals

We aim to reduce our environmental footprint in every aspect of our operations and work towards our carbon-neutral plan. P&G makes every day better for people and the planet with its brands. Within this framework, it has announced new sustainability goals, titled “Ambition 2030,” to leave a greener and more livable world for the future.

As P&G, we have categorized our 2030 sustainability goals into four main pillars: “Brands,” “Supply Chain,” “Community,” and “Our Employees.”

As part of our neutralization plan, we will reduce greenhouse gas emissions by 50% by 2030 and purchase 100% renewable electricity for all our manufacturing facilities.

We plan to support natural climate solutions by conducting



activities with a carbon benefit equivalent to the greenhouse gas emissions caused by our operations. This will be achieved through actions taken in every aspect of our operations rather than through a single effort.

### 3R Vision for Plastic Use

One of our goals is to provide 100% recyclable or reusable packaging in our top 20 leading brands within the next 7 years.

In line with these goals, we shape our production and product innovations around the 3R (Reduce, Reuse, Recycle) strategy while striving to maximize the efficient use of our existing capacity. We work hard to minimize the use of virgin plastic, promote the use of recycled or recyclable plastics, and extend the lifespan of plastic through recirculating reusable packaging.

We are committed to using durable and recycled PET materials and aim to create a new market for recycled plastics and save 200 million plastic bottles within five years through building circular economy partnerships. Also, we aim to reduce carbon emissions from both production and consumption.

To give an example of our efforts, the bottles for our hair care and personal care products in the shampoo category are made with at least 25% recycled plastic. Furthermore, with the help of our hair care bottle system embracing refillable aluminum bottles, we use 60% less plastic.

Our recycling efforts are crucial for leaving a more livable world for future generations. Therefore, on this journey, we engage in local and global collaborations with various stakeholders, including our competitors. One significant step in this direction is our participation in the “Alliance to End Plastic Waste,” which was established under the leadership of our CEO David Taylor and co-founded by BASF. Also, 30 global companies participated in the alliance. As part of this alliance, we have announced to allocate \$1 billion for developing recycling technologies, raising consumer awareness, cleaning up plastic waste in the oceans, and preventing waste generation from the outset.

## Saving 5 Billion Liters of Water Through Reuse

“Water” is one of the key areas we address under our Corporate Citizenship principle of Environmental Sustainability.

We will save at least 5 billion liters of water through reuse activities in our facilities.

Furthermore, one of P&G’s significant projects in water security is the 50L Home Coalition. It was launched in collaboration with the World Business Council for Sustainable Development (WBCSD), World Economic Forum (WEF), and 2030 Water Resources Group (2030WRG).

The project aims to reduce daily consumption per capita to 50 liters, particularly in cities at risk of water crises.

P&G focuses on developing water-efficient products contributing to a stable, low-carbon future. We support the coalition’s efforts by leveraging our global expertise in water chemistry.

We collaborate with other leaders in the private sector and work across various categories and markets to improve innovations that promote saving water.

## Developing ‘Water-free’ Laundry Technology in Space with NASA

One of our significant initiatives in this area is our research and technology development agreement with NASA signed in 2021 to provide laundry and hygiene solutions in space. In collaboration with NASA, Tide is designing a completely biodegradable detergent tailored explicitly to be used in space.

Ariel, known as Tide in the United States, is a brand in the laundry care market. Our Tide team leverages our 75 years of innovation and technical expertise in the field of laundry detergent to drive these developments.

Preliminary studies show that using Tide Infinity detergent in an optimized laundry process reduces wastewater generation by up to 71 percent.

The good news is that the technology we have developed is not limited to space applications. We also make these technologies available to consumers. The detergent, proven effective in space, will also provide environmentally friendly and resource-efficient solutions worldwide.

This way, we contribute strongly to saving energy and water and improving sustainability worldwide.

We will continue establishing transformative partnerships protecting and healing oceans, basins’ water sources, and forests.

## Our goal is to become carbon-neutral within 10 years

We plan to become a carbon-neutral company in 10 years as we rapidly reduce our carbon footprint on the environment.

We strive to create an awareness of sustainability among our consumers, and our brands play a crucial role here. Through





our communication campaigns over the years, we also focus on the energy savings they provide in addition to the benefits offered by our product brands.

## P&G's Brands and Sustainability

First and foremost, we prioritize sustainability in our products' ingredients and packaging.

Ariel's powder, gel, and tablet detergents help consumers achieve up to 60% electricity savings besides offering an exceptional cleanliness experience.

Also, laundry habits, such as choosing programs and temperature, contribute to 60% of the carbon footprint during washing. For example, lowering the washing temperature from 40°C to 30°C reduces CO<sub>2</sub> emissions by 35%. With Ariel's effectiveness even in cold water, we make this decline possible.

These efforts make a significant contribution to our planet. For example, washing all laundry at 30°C in the European region can save as much electricity as the annual consumption of 6 million households.

Similar benefits also apply to dishwashing. For instance, a bottle of Fairy hand dishwashing detergent provides high-performance cleaning for up to ten thousand plates, even in cold water. Also, Fairy tablet detergents reduce water consumption compared to handwashing.

Hot water usage and pre-rinsing habits account for 80% of the carbon footprint in the dishwashing process. Fairy's superior performance eliminates the need for pre-rinsing and prevents water waste.

Gillette razors offer a comfortable and close shaving experience while reducing waste by 80%.

*We also focus on packaging across all our brands. Here are some examples:*

25% of Pantene and Head & Shoulders products are packaged in recycled PCR plastic.

Packaging of Herbal Essences products is made from 100% recycled plastic. This method results in 28 million fewer virgin plastic bottles production each year.

In Gillette Venus' system products, we have switched to plastic-free cardboard packaging made from 30% recycled materials. Now, 40% of all packages are made from recycled materials, and the new packages are 100% recyclable.

Moreover, Always products use 50% recycled packaging materials. 80% of Oral B Power's POS packaging is recycled plastic. And Oral B Pro-Expert is made from 80% recycled plastic.

## Innovative Products Also Transform the Consumer Habits

While industrial production has the largest share in the carbon footprint, how you use the products also has an undeniable effect.

The more energy we consume in our homes, the more carbon emissions we generate.

We focus on making this impact positive and beneficial by developing products that contribute to sustainability. And we are working to transform consumer habits with our innovative products.

In doing so, our most beneficial insight is understanding consumers.

One of the most deeply rooted research companies in the world, P&G's first research department was established more than 160 years ago.

We conduct over 20,000 research studies annually and contact over 5 million consumers from nearly 100 countries.

We have gained a deep understanding of our customers through this data and insight. Thus, we develop innovative products that meet consumer expectations and demands and strive to help consumers adopt environment-friendly habits.

### Biography of our guest

**Mr. Irakli Gabriadze** is Senior Director – Country Manager, Caucasus and Central Asian Republics of Procter & Gamble.

*Before this appointment he was Director, Corporate MS&P and Business Development Leader, Caucasus and Central Asian Republics. Started his career as Regional Manager in 2005 at P&G Azerbaijan, Irakli Gabriadze held various positions internally and externally, such as Caucasus Distributor Operations Manager, Caucasus Corporate Trade Marketing Manager, Caucasus Market Strategy & Planning Manager, P&G Middle East & Africa Laundry Market Strategy & Planning Manager, Caucasus Market Strategy & Planning Director, P&G Japan Sustainability Leader & Braun G2M Reinvention Director.*

*Irakli is a US-educated & FLEX alumnus (2001), received his bachelor's degree in international business from the Caucasus School of Business, and was on duty as Business Development Director for Turkey, Central Asia & Caucasus since June 2022.*

# The Port of Baku: Pioneering Alternative Energy Solutions for a Sustainable Future

Climate change poses a significant threat to our planet, demanding innovative solutions and sustainable practices. In this regard, the Port of Baku, strategically located at the heart of Eurasia, has emerged as a trailblazer in sustainable development. By spearheading alternative energy solutions, optimizing operational efficiency, and embracing digitalization, the port is paving the way towards a greener and more resilient future.

Revolutionizing the maritime industry, the Port of Baku has implemented a range of alternative energy initiatives, positioning itself as a frontrunner in environmental stewardship. These groundbreaking initiatives include the reduction of fuel consumption in diesel engines through the use of a specialized additive. Preliminary results have shown remarkable fuel savings of up to 15%, translating into a substantial reduction of approximately 200 tons of CO<sub>2</sub> emissions annually.

Embracing the potential of hydrogen technology, the port has installed cutting-edge equipment on diesel-powered vehicles. This innovative approach is projected to achieve an impressive 20-30% reduction in fuel consumption and contribute to a significant decrease of around 400 tons of CO emissions.

Committed to preserve the environment, the Port of Baku has prioritized wastewater treatment as part of its sustainability agenda. By revamping and repairing key equipment at the Miranda-Waste Water treatment plant, the port has achieved water quality compliance with ecological standards. Ongoing modifications and maintenance will further optimize the plant's capacity, enabling it to convert wastewater into technical water at full efficiency. Additionally, the port has ambitious plans to construct a swimming pool in 2023, utilizing purified technical water as an irrigation reserve.

In its pursuit of energy efficiency, the Port of Baku has embraced the cutting-edge "Elspec" equalizer, a sophisticated electric energy-saving solution. This technology aims to minimize energy loss during equipment start-stop cycles, yielding an estimated 5% reduction in energy consumption. Rigorous evaluation and analysis by vendors will provide precise indicators of the technology's effectiveness in the upcoming quarters.

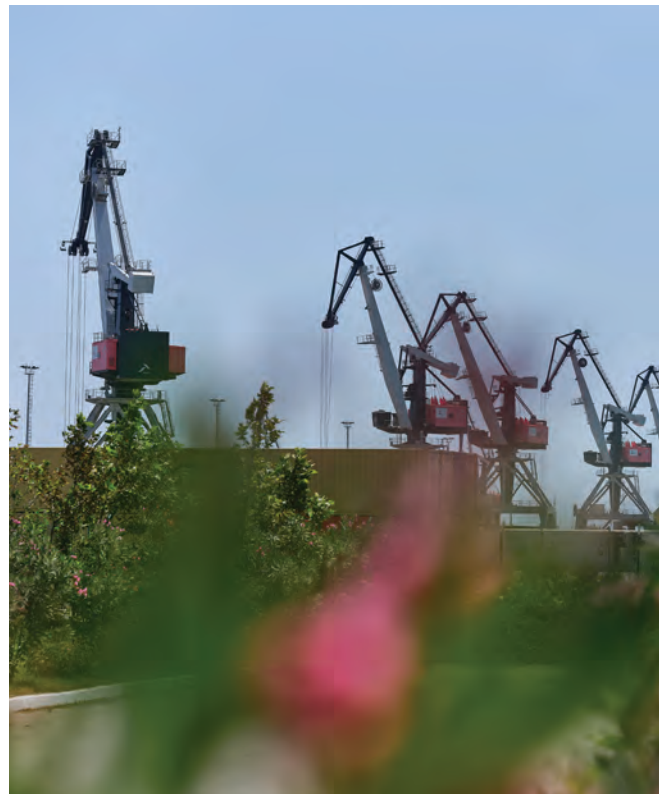
By championing sustainable practices, the Port of Baku has garnered international recognition and partnerships. As a member of the United Nations (UN) Global Compact, the port joins forces with thousands of companies worldwide to foster a sustainable and inclusive global economy. With a focus on 11 of the UN's Sustainable Development Goals (SDGs), the port is committed to driving positive change and achieving sustainable outcomes.

Through collaborative efforts with the European Union (EU),

the Port of Baku has made remarkable strides in sustainability. Leveraging EU technical assistance, the port has enhanced its infrastructure, reduced energy consumption, and established itself as a regional leader in sustainable transportation.

Under the framework of its "Climate Action Plan," the Port of Baku has embraced a transformative vision to combat climate change and achieve a Net Zero Emissions (NZE) status by 2023. This ambitious strategy has been recognized by the European Sea Ports Association, positioning the port as the first Eco Port in the region. By adhering to stringent environmental standards and implementing innovative initiatives, the port is playing a crucial role in reducing its ecological footprint and contributing to global climate action efforts.

As the Port of Baku continues to expand and evolve, its strong commitment to alternative energy initiatives will serve as a cornerstone of its environmental stewardship. Through innovation, collaboration, and a steadfast focus on sustainability, the port is leading the charge towards a cleaner, greener, and more sustainable future for the region and beyond.



# Renewables: Key to Balancing Energy Trilemma



**Vugar Samadli**  
CEO, Nobel Energy

dimension of the trilemma and lay the groundwork for a sustainable and prosperous energy sector.

## Efficient transition

While the transition to clean energy sources is crucial for a sustainable future, it is important to acknowledge the ongoing need for fossil fuels during this transitional phase. Fossil fuels have long been the backbone of our global energy infrastructure, providing reliable and affordable power to support economic growth and meet the energy demands of our society.

Fossil fuels continue to play a vital role in ensuring energy security and stability, and offer a consistent and reliable energy supply. This stability is especially critical in times of high energy demand and geopolitical tensions and conflicts (e.g. conflicts in Syria, Ukraine and their tough consequences) or when renewable energy sources may be insufficient, such as during extreme weather events or in regions with limited renewable resources.

Moreover, fossil fuels possess the advantage of established infrastructure and distribution networks. Decades of investment and development in the domain have resulted in a robust system that efficiently extracts, transports, and utilizes fossil fuels. Shifting entirely to clean energy sources requires significant investment in new infrastructure, which takes time and resources. During the transition period, relying on fossil fuels ensures uninterrupted energy supply and avoids potential disruptions that may occur during the transition.

## Environmental sustainability

However, it is important to note that the need for fossil fuels during the transition to clean energy should not undermine the urgent necessity to reduce our reliance on them. One of the most pressing challenges of our time is mitigating the impact of climate change and preserving the world's ecosystems. Renewable energy sources offer a compelling solution by emitting little to no greenhouse gases during operation.

Gradually, shifting away from fossil fuels and embracing renewables reduces carbon emissions, curbing climate change and contributing to a cleaner environment.

As the world faces the urgent need to address energy trilemma, energy companies find themselves at a crossroads – balancing the increasing demand for energy, mitigating the environmental impact, and ensuring affordability and accessibility. Amidst this complex challenge, renewable energy sources have emerged to offer viable solutions effectively manage and balance the trilemma and pave the way towards a sustainable future.

As more and more players of the energy ecosystem strive to transition towards a greener and more resilient future, this complex dilemma has become a central focus, demanding innovative solutions and collaborative efforts from governments, industries, and societies.

Renewable energy, developed from sources such as solar, wind, and geothermal power, possesses unique characteristics that align with the objectives of the energy trilemma. It has been systematically proved that transition to renewable energy choices can effectively address each





Moreover, the deployment of renewable energy technologies facilitates the transition towards a circular economy, minimizing waste and promoting resource efficiency. By harnessing the power of the sun, wind, and water, we can break free from the destructive cycle of extraction, combustion, and pollution that characterizes traditional energy sources.

Unquestionably, to ensure more balanced approach, collaboration of governments, businesses, and research institutions to allocate resources to advance technologies like solar, wind, energy storage, and grid integration solutions is key. Investments to research and development can lead to cost reductions, improved efficiency, and new breakthroughs in clean energy.

## Ensuring energy security

Renewable energy plays a vital role in enhancing energy security by diversifying the energy mix. It is no secret that, unlike fossil fuels, which are subject to price fluctuations and geopolitical tensions, renewable sources are abundant, widely distributed, and domestically available in many regions.

By reducing reliance on finite and imported resources, countries can strengthen their energy security, achieving a more stable and self-sufficient energy supply.

Furthermore, the modular and decentralized nature of renewable energy systems empowers communities to generate their own electricity, fostering energy independence and resilience. From solar panels on rooftops to small-scale wind turbines, individuals and businesses can contribute to a more robust and secure energy network, reducing vulnerability to disruptions and power outages.

## Economic affordability

One common misconception about renewable energy is its perceived high cost. However, ongoing technological advancements and economies of scale have significantly reduced the cost of renewable energy generation. Solar and wind power, in particular, have witnessed substantial price declines in recent years, making them increasingly competitive with conventional energy sources.

Moreover, governments have been committed to create a conducive environment for renewable energy. In Azerbaijan, for instance, over the last few years, the government has implemented supportive policies and incentives to promote renewable energy development, including solar power across the country. These initiatives aim to encourage investment and facilitate the growth of solar energy projects. Supportive policies, such as feed-in tariffs and tax incentives, create a conducive environment for solar energy production in the region.

As a result, both local and foreign energy companies have started to display more and more interest in investing in renewable energy development. The recent MoUs and cooperation agreement between the government of Azerbaijan and energy companies like Nobel Energy, TotalEnergies, and China International Energy Sources Group are just few examples.

This follows the government's systematic efforts in promoting clean energy and reducing carbon emissions by establishing 'green energy zones' across the country, and signifies an important milestone in advancing sustainable energy solutions and fostering environmental stewardship.

## Fostering social equity

Investments in renewable energy create jobs and drive economic growth, offering opportunities for innovation, research, and manufacturing. By embracing renewable energy choices, businesses, jointly with the governments, can stimulate local economies, reduce energy poverty, and foster social equity. Moreover, the decentralized nature of renewable energy systems empowers communities and individuals to become active participants in the energy sector, generating income and reducing energy expenses.





While renewable energy presents a set of advantages, it is essential to acknowledge the challenges that must be overcome to fully harness its potential. Issues such as intermittency, grid integration, and energy storage require innovative solutions and robust infrastructure investments. Policy support, market incentives, and international cooperation are crucial to accelerating the adoption of renewable energy technologies and addressing these challenges effectively.

All in all, while fossil fuels have served as the primary energy source for many decades, the urgent need to address climate change and transition to cleaner energy cannot be ignored. Acknowledging the continued need for fossil fuels during this transitional phase is essential, considering their role in ensuring energy security, stability, and affordability. However, it is important that we prioritize the rapid development and adoption of renewable energy sources to minimize the environmental impact of fossil fuels and pave the way for a sustainable future.



#### **Biography of our guest**

**Mr. Vugar Samadli** is CEO and the Member of the Board of Directors at Nobel Energy with over 16 years of international experience, knowledge and expertise in the oil and gas industry. Prior to his current role, Mr. Samadli was Chief Operating Officer of Nobel Energy. He was appointed CEO at Nobel Energy following his valuable contribution to effective management of Nobel Energy Group's operations, and support in achieving the Group's strategic goals. Mr. Samadli has held a number of senior management roles over the past seven years. In 2013, he assumed the role of General Director of Oil & Gas ProServ, a joint venture between SOCAR, Siemens and Target Petroleum. Before joining Nobel Energy in 2015, he was General Director of Global Energy Solutions, an affiliate of Nobel Energy.

Mr. Samadli started his career in 2003 in BP where he quickly advanced through increasingly challenging roles and projects. Following his BP tenure, he held executive positions at DETAL Holding and Azelektroterm. In 2009-2013, Mr. Samadli worked at John Crane as a regional manager for Azerbaijan, Georgia and Central Asia.

Vugar Samadli has a Bachelor's degree in Mechanical Engineering from Middle East Technical University, Turkey and Master of Science in Mechanical Engineering from University of Florida. He holds a diploma in Project Management from George Washington University and studied executive MBA with SMITH Group. Currently, Mr. Samadli is carrying out a scientific research and working to defend his PhD dissertation on Chemical-Mechanical Engineering at the Azerbaijan National Academy of Sciences.

In 2019, Vugar Samadli was awarded 'The Taraggi Medal' by the President of the Republic of Azerbaijan for his services in the development of the country's oil industry.



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# The Crucial Role of GIS in Advancing Renewable Energy



**Shahin Huseynli**  
Geo-solutions Manager,  
Sustainera Solutions

Alternative energy sector, specifically renewable energy, is becoming increasingly significant globally as a cleaner and more sustainable substitute for conventional energy sources. Nevertheless, it is imperative for renewable energy initiatives to undergo thorough evaluations of their environmental impacts to guarantee the absence of substantial harm to the environment.

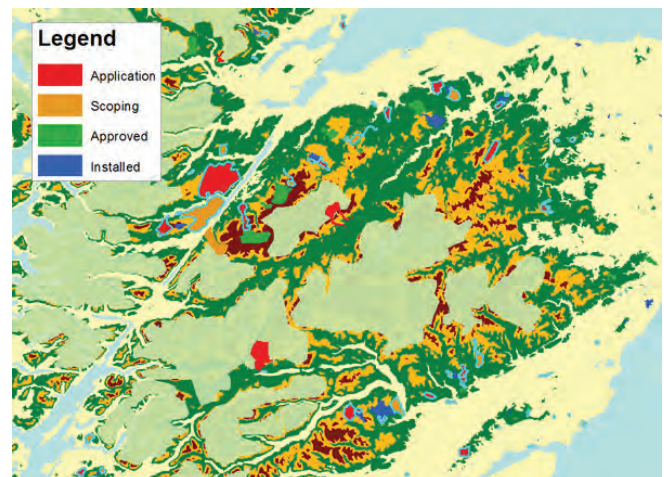
The utilization of Geographic Information System (GIS) and technology in environmental impact assessments (EIAs) for renewable energy projects is gaining popularity. This is primarily attributed to its capacity to offer comprehensive and precise spatial data. This article examines advantages of employing GIS in EIA for renewable energy and its role in enhancing accurate and sustainable decision-making within the energy industry. Also, GIS various aspects of renewable energy, including site selection, grid integration, resource assessment, planning and policy development, and public awareness.

## What is GIS?

GIS is specifically developed to handle, manipulate and present geographic information in diverse formats like maps, graphs and charts. It integrates various data sources, including

satellite imagery, remote sensing, aerial photography, and GPS data, to offer a comprehensive understanding of the location, terrain, and surroundings of a specific area. Through spatial analysis, spatial data can be examined and interpreted to derive meaningful insights, such as the distribution of natural resources or the environmental consequences of land use changes. Additionally, GIS enables the modeling of different scenarios and the prediction of potential impacts resulting from varying factors on the environment. The utilization of GIS facilitates the visualization of spatial data, aiding in better comprehension and informed decision-making.

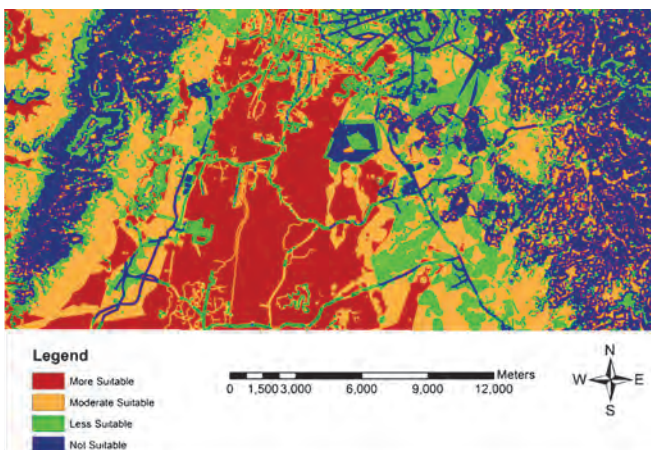
We can display, analyze and interpret complex relationships between spatial and non-spatial data owing to the sophisticated technology known as geographic information systems (GIS), which combines geographical data with



different layers of information. Decision-making, resource assessment, infrastructure planning and environmental impact analysis are all made easier with the use of GIS when it comes to alternative and renewable energy. The following are some significant ways that GIS is promoting the creation and use of alternative energy sources.

## Site Selection and Resource Assessment

Finding adequate places for infrastructure installation is one of the main issues facing renewable energy projects. GIS aids in locating the best locations for geothermal, hydroelectric, solar and wind energy projects. GIS enables specialists to identify regions with the greatest potential for energy generation by examining variables like wind speed, solar irradiation, water availability and geological characteristics. This data-driven strategy guarantees effective use of energy resources while saving time and money.



**Figure 1.** EIA map for Integrated Land Suitability Analysis  
(Environmental Impact Assessment (EIA) Using Geographical Information System (GIS):  
An Integrated Land Suitability Analysis of Filling Stations)



## Transmission and Distribution Planning

Inaccessible to populated regions or current power grids, renewable energy sources are frequently found in such isolated locations. Transmission and distribution network planning and design are made easier with the help of GIS, ensuring effective connectivity between renewable energy sources and end customers. GIS aids in optimizing the layout of transmission lines, minimizing losses and maximizing the distribution of renewable energy to customers by simulating various scenarios and considering elements like terrain, land use and existing infrastructure.

## Environmental Impact Assessment

It is vital to take the environment into account when we switch to alternate energy sources. By combining project data for renewable energy sources with environmental elements including protected areas, delicate ecosystems, and wildlife habitats, GIS makes it possible to do thorough environmental impact analyses. In order to reduce negative environmental effects, this integration aids in identifying possible conflicts and developing mitigation methods. GIS is essential for controlling and tracking the long-term effects of renewable energy installations.

## Policy and Regulatory Support

Strong rules and regulatory frameworks are necessary for the successful integration of alternative energy sources into the current energy infrastructure. GIS offers spatial data analytics, infographics and scenario modeling to help policymakers and regulators make educated decisions. This technology aids in evaluating the possible effects of policy changes, locating opportunities for renewable energy investment incentives, and keeping track of regulatory compliance. Energy forecasting is supported by GIS-based tools, allowing decision-makers to prepare for future energy demands and allocate resources appropriately.

## Public Engagement and Education

By making renewable energy projects and their potential benefits visible, GIS improves public participation and education. Communities, policymakers and investors can study and comprehend the spatial dimensions of alternative energy projects thanks to interactive maps and web-based applications. This openness inspires confidence, engagement, and helps people make well-informed decisions. In addition, GIS can be used to convey the development and results of renewable energy projects, as well as to increase public understanding of the advantages of clean energy.

To sum up, GIS is essential for improving alternative and renewable energy since it offers priceless solutions, tools and insights across the whole project lifecycle. GIS equips decision-makers and stakeholders with the knowledge they need to make well-informed decisions, optimize energy generation and distribution and reduce the environmental impact of renewable energy projects. This knowledge can be applied to everything from site selection and resource assessment to transmission planning, environmental impact analysis, policy support and public engagement. The incorporation of GIS will surely play a crucial role in defining our future energy landscape as we continue on the path towards one.



### Author's biography

**Mr. Shahin Huseynli** is a qualified individual with expertise in the use of GIS and other remote sensing tools for sustainable development. As a GIS expert, he has contributed to numerous environmental projects in Azerbaijan, as well as at multinational corporations like TomTom, GIZ, etc. In order to suggest appropriate locations for alternative energy, he also served as a GIS consultant for a World Bank initiative. Since 2015, he has taken a leading role in national and local programs, particularly those pertaining to the environment. Shahin Huseynli has earned a Master of Science in Geospatial Technologies from the Westfälische Wilhelms-Universität Münster (WWU), Institute for Geoinformatics (IFGI) and the Universidade Nova de Lisboa (NOVA - IMS), both in Lisbon, Portugal.



# Our Approach to Reveal Trends on Alternative Energy



**Elkhan Aliyev**  
Audit Director,  
Deloitte Azerbaijan

Transitioning into sustainable energy sources is perhaps the most important task before the leaders in today's world to prevent disastrous effects of climate change looming over the world. Carbon dioxide concentration in the atmosphere has been in steep increasing trend over the decades and has already reached alarming levels. Increasing public awareness, as well as action from the world's leading countries has led country leaders and large companies to take climate change seriously and develop a plan to satisfy stakeholder expectations.

Trends in energy transition can be tracked through several channels, such as decarbonisation of energy sources, increasing operational efficiency, investment in new low carbon opportunities, deployment of new technologies, adapting to new policies and managing stakeholder expectations.

## Decarbonising energy sources and products

Decarbonisation is planned to be achieved through increased low carbon power generation, and electrification and reduced fossil fuel demand. Coal is the most carbon intensive fuel source and 90% of coal is used in power generation. Coal currently supplies one third of the global electricity generation. According to the International Energy Agency ("IEA") and Paris Climate Agreement, use of coal must decline by 8% every year until 2030 and be fully phased out by 2040. However, since the Paris Climate Agreement in 2015, the use of coal in power generation has slightly increased. Although, we can see some countries have made great effort to diversify away from coal, others have increased coal use significantly. US, for example, has reduced its coal consumption by 33% since 2015, whereas China and India have increased their combined coal consumption by 23%.<sup>1</sup> In addition, the increase in coal consumption in recent years was also fueled by the conflict between Russia and Ukraine, resulting in European countries to find alternatives to Russian gas and turn into much accessible coal sources.

Despite this, there has been an increase in electricity generation from renewable sources, such as solar and wind.

1. Electricity generation from coal (ourworldindata.org)

The cost of renewable generation has fallen dramatically over the past 10 years, making renewables cost-competitive with gas in some regions. Both equipment and overall project costs have declined as the wind and solar industries have matured and scaled. Since 2015 there has been around 30% increase in electricity generation from renewable sources. Major part of the increase is driven by the US and China.

If low carbon power generation is in one side of the equation, electrification is in the other side. As the power sector becomes less reliant on fossil fuels, increased electrification of energy end uses throughout the economy could speed decarbonization.

The electrification of transport, both light and heavy duty, could have an impact on oil demand, as the transport sector accounts for nearly 60 percent of global oil demand. IEA modelling requires electric vehicles sales to reach 35% of global sales in 2030. Although EV sales have increased twenty-fold since 2015, they still represent around 10% of the total car sales worldwide. However, with this pace it is predicted that EV sales will surpass 35% threshold by 2030. Electrification of facilities and processes is happening more quickly. The majority of the industrial manufacturers have electrified their processes where feasible. Even though the initial equipment and installation costs may be higher, the low operating cost and increased efficiencies allow companies to achieve a return on that investment.

## Increasing operational energy efficiency

There is an increased focus on operational efficiency by all large companies, especially utility, and oil and gas companies. Policies implemented by governments motivate utility companies to implement energy efficiency measures







and tracking. Corporations have increased monitoring of energy usage, upgraded key equipment, and installed building automation systems to control lighting and heating, ventilation, and air conditioning systems.

Large oil and gas companies have announced their strategies to achieve net zero emissions by 2050. An important part of their strategy is to optimize and electrify their operations to reduce energy consumption and their reliance on use of fossil fuels in the production process. They track their operational and efficiency targets by leveraging data and analytics for greater predictability. Progress in gaining efficiency is also apparent in refineries, largely due to efficient energy handling and steam generation, along with transition toward cleaner fuels such as natural gas.

## New investment opportunities

Over the last decade, investment in clean energy has increased almost by 70%, while investment in fossil fuels have dropped by 24%. The larger companies are building their portfolios in areas such as clean energy and EV charging; many have also formed venture capital arms and pursued partnerships and acquisitions in the clean tech space. The volume of transactions in clean energy concluded by large oil and gas companies across the globe has almost doubled over the past decade.

## New technologies

Utility companies are in the forefront in developing and deploying new technologies to advance application of clean energy. Energy storage is one of the key challenges of renewable energy, since consistent flow of energy is dependent on weather conditions. Improving battery technology has therefore been crucial to address this challenge. In recent years improvements in the technology has made the battery storage solution economically viable for the utility companies, and with government policies geared toward encouraging companies to invest in this area, it is expected that the battery storage capacity will grow from under 50 GW in 2022 to over 400 GW by 2030, an eight-fold increase.<sup>2</sup>

<sup>2</sup> Global Energy Storage Market to Grow 15-Fold by 2030 | BloombergNEF (bnef.com)

Industrial manufacturing is also considered a key enabler of the energy transition, as this sector produces the technologies and products, such as higher-capacity wind turbines, more efficient solar panels, longer duration batteries, EV components and other critical components to grow a lower-carbon ecosystem. An improvement in this area is also evident.

## New policy mandates

New policies imposed by the countries are intended to lay a strong foundation for and accelerate energy transition. Alongside many other initiatives, renewable energy and EV tax credits have played an important role in encouraging companies to invest in renewables. Policy focus is expected to continue in both short and long term, particularly in areas such as Europe, China, and certain US.

## Consumer and stakeholder expectations

Consumer and stakeholder expectations have significantly changed over the last decade. There is an increased focus and preference among consumers for green energy, in power and oil and gas. This has led many companies across various sectors to differentiate their products and change their production process where possible. Many shareholders and investors have begun to apply pressure on companies to focus on lower-carbon operations and curtail carbon emissions by reducing their carbon footprint and reducing reliance on fossil fuels.

The energy transition is expected to remain a strategic priority for energy and industrials companies in the longer term. Monitoring of progress toward sustainable energy has emerged as one of the crucial requirements for corporations and ESG reporting is becoming mandatory.

Deloitte are committed to driving change and creating an impact that matters. Deloitte Sustainability Practice supports companies in their journey. Deloitte provides innovative approaches and solutions that will empower businesses to contribute to a sustainable and prosperous future for all. Deloitte have cross-functional Sustainability team that is actively engaged and works with governments and clients across industries in re-aligning their strategy and governance to set sustainability at the core to their operations and services.

### Author's biography

**Mr. Elkhan Aliyev** is an Audit Director at Deloitte Azerbaijan. Elkhan has more than 12 years of work experience, with the last 11 years gained at Deloitte. Apart from working in Baku, he spent two years at Deloitte in London, working on high profile audit projects.

Elkhan holds a master's degree from State University of Economics and is a member of Association of Chartered Certified Accountants. He has been a board member of the BCCA (formerly BBG) since 2017.

# Renewable Energy: A Driving Force of the Future. What Shall We Do Next?



**Seymur Niftaliyev**  
Head of KPMG  
Law Azerbaijan



**Asim Hashimov**  
Senior Legal Consultant,  
KPMG Azerbaijan

Azerbaijan has considerable renewable energy potential as country has extensive resources of solar, wind, geothermal, hydro and biomass. The total power generation capacity of Azerbaijan is 7542.2 MW, the capacity of the power plants on renewable energy sources, including large Hydro Power Plants is 1304.5 MW, which is 17.3 % of the total capacity.<sup>1</sup> Development of this potential is one of Azerbaijan's strategic priorities, as increasing shares of renewables in the power mix in Azerbaijan are not only environmentally friendly, but also will contribute to diversification of the energy basket and increase energy security.<sup>2</sup>

## Institutional and legislative reforms

Improvement of infrastructure usually starts with reforming regulatory institutions and strengthening a legal and policy framework. One of the earlier steps taken for the efficient use of renewable energy potential in our country was the adoption of the "State Program on Use of Alternative and Renewable Energy Sources in the Republic of Azerbaijan" in 2004. The adoption of the program has created opportunities for the implementation of radical changes in the use of renewable energy sources and the assessment of our potential in this area. In 2020, after the series of institutional reforms in order to further improve the governance in this sphere, Azerbaijan Renewable Energy Agency under the Ministry of Energy of the Republic of Azerbaijan was established in accordance with the Decree No. 1159 of the President of the Republic of Azerbaijan dated September 22, 2020.

More recently, legislative reforms carried out in the field has been continued and the law of the Republic of Azerbaijan "On the use of renewable energy sources in the production of electricity", No 339-VIQ, dated 31 May 2021<sup>3</sup> ("Renewable Energy Law") has been adopted and made significant further contribution to the development of legislative framework in renewable energy sector. Law on Renewable Energy envisage the creation of a more favorable investment climate in an effort to attract foreign investment to the sector.

1. <https://minenergy.gov.az/en/alternativ-ve-berpa-olunan-enerji/azerbaycanda-berpa-olunan-enerji-menbelerinden-istifade#:~:text=The%20total%20power%20generation%20capacity,17.3%20%25%20of%20the%20total%20capacity>

2. <https://www.adb.org/sites/default/files/publication/522891/adbi-wp992.pdf>

3. <https://e-qanun.az/framework/47842>

Renewable Energy Law describe two methods for selecting investors for the generation of electricity using renewable energy sources: auctions and direct negotiations. As per the Law, an investor who has won the auction or was selected in direct negotiations will conclude an investment agreement with the Ministry of Energy alongside other agreements (Power Purchase Agreement with the guaranteed buyer and a Connection Agreement with a state electric power enterprise or energy supply enterprise) in order to start a project in a renewable energy sources.

A transition to 'green energy' is also among the five National Priorities for the socio-economic development of the country that should be realized in the next decade as defined in "Azerbaijan 2030: National Priorities for Socio-Economic Development, which was adopted 02 February 2021.<sup>4</sup> Furthermore, Order of the President of the Republic of Azerbaijan dated 10 December 2021 "On acceleration of economic development in the territories liberated from occupation" encourages the support to the investors who will apply environmentally friendly technologies, create "green growth" and use renewable energy sources in the liberated territories.

## Major pilot projects in renewable energy with international investors

Ministry of Energy has set a target to increase the installed capacity of renewable energy to 30% by 2030 in the country's overall energy balance. In order to achieve this goal, alongside institutional developments, wide range of technologies used to convert renewable resources into electricity have been developed in Azerbaijan. Noticeably, "Azgüntex" solar panel factory in Sumgayit city is equipped with the most advanced technology and environmental standards are strictly followed.<sup>5</sup> Likewise, latest scientific and technical innovations have been applied in production of solar collectors in Sumgait Technology Park.<sup>6</sup>

On 30 December 2020, Investment agreement, Power

4. <https://e-qanun.az/framework/46813>

5. Official website of the President of the Republic of Azerbaijan - <https://president.az/articles/4755>

6. Official website of the President of the Republic of Azerbaijan - <https://president.az/articles/2729>



Purchase agreement and Transmission Connection agreement were signed on “Khizi-Absheron” Wind Power Plant with a capacity of 240 MW between the Ministry of Energy, Azerenergy OJSC and ACWA Power of the Kingdom of Saudi Arabia.<sup>7</sup> On 6 April 2021, Investment agreement, Power Purchase agreement and Transmission Connection agreement were signed on “Garadagh” Solar Power Plant with a capacity of 230 MW between the Ministry of Energy, Azerenergy OJSC and Masdar of the United Arab Emirates.<sup>8</sup> On 13 January 2022, the foundation of the “Khizi-Absheron” Wind Power Plant and on 15 March 2022, the foundation of the “Garadagh” Solar Power Plant were laid.

Construction of the energy infrastructure and ensuring energy security as an important part of the restoration process of the liberated territories of the Republic of Azerbaijan. Two hydropower plants on the Aras River in the Jabrayil region, with a total capacity of 140 MW for the Azerbaijani side (100 MW “Khudaferin” and 40 MW “Giz Galasi”) are currently under construction. In addition, on June 3, 2021, the Ministry of Energy of the Republic of Azerbaijan and BP signed an Implementation Agreement on the evaluation and implementation of the project for the construction of a 240 MW solar power plant in the Zangilan/Jabrayil zone.<sup>9</sup>

## What shall we do next?

In order to promote development of renewable energy area the following steps might be required:

Introduction of more incentives for private companies for involvement in the renewable energy production. One of such incentives might be Public Private Partnership within the specifically identified area of renewable energy. Considering low tariffs for electricity in Azerbaijan, Azerbaijani government may support private companies by guaranteeing part of the income apart from the sale of electricity under identified tariff. Allow other companies, under special license, to sell electricity produced from renewable energy. While currently only state owned company may be engaged in the sale of electricity,

allowing this to be done by other companies may boost sale of such electricity under special tariffs and may be used for charging electric cars etc.

Introducing Renewable Energy Certificates (RECs). Implementing REC systems can create a market mechanism that promotes renewable energy generation. RECs are tradable certificates representing the environmental attributes of renewable energy, allowing consumers to support renewable energy without physically consuming it.

Research and Development Funding. Azerbaijani Government should allocate more resources for research and development in renewable energy technologies. Funding should support innovation, pilot projects, and collaborations between research institutions, universities, and private entities to drive technological advancements.

Promote usage of solar panels by buildings, especially by universities, hospitals, state owned buildings etc.

## Summary

The presence of sufficient base, political will, human resources and committed regulatory body creates opportunities for development of the renewable energy generation in Azerbaijan. Increase the share of renewable energy sources in the country’s overall energy production will further strengthen energy security, improve economic and technical efficiency of the electricity sector as well as create new businesses and jobs in the electricity sector.

In addition, considering rising prices for natural gas and comparably low tariffs for electricity in Azerbaijan, using renewable energy may reduce natural gas consumption internally and allow government to export natural gas for the market prices on the global level, which may result in additional financial gains for the state budget.

### Authors’ biography

**Mr. Seymour Niftaliyev** is the Head of KPMG Law Azerbaijan. Mr. Niftaliyev has worked at KPMG for 11 years and has led a number of projects, including those within energy area. Main areas of expertise include banking, contract laws, PPP, FATCA and CRS, M&A and other areas of law.

In addition, Mr. Niftaliyev is a Member of Azerbaijani Bar Association.

Mr. Niftaliyev holds an LL.B. in International Law at Baku State University and LL.M. in International Commercial Law at City University London.

**Mr. Asim Hashimov** is a Senior Legal Consultant within Law Practice at KPMG Azerbaijan. Prior to joining, he has worked KPMG for many years as in-house lawyer at one of the biggest banks in Azerbaijan. Asim provides advices on various areas of Azerbaijani law to both local and international clients from various industries. His main areas of expertise include banking, energy, contract, corporate, personal data, labour and migration.

Mr. Hashimov holds an LL.B. in International Law from Western University (Baku) and LL.M. in International and European Law from University of Strasbourg.

7. <https://area.gov.az/en/page/layiheler/cari-layiheler/240-mvt-kulek-elektrikstansiyasi>

8. <https://area.gov.az/en/page/layiheler/cari-layiheler/230-mvt-gunes-elektrik-stansiyasi>

9. <https://area.gov.az/en/page/layiheler/yasil-enerji-zonasi/yasil>



# How to Avoid Greenwashing in Corporate Sustainability Reporting



**Yunis Salayev**  
Partner  
BDO in Azerbaijan

## A nightmare scenario

A retail giant was in the news. Its brand reputation, revenues and potential for litigation were all at risk. Sustainability teams had invested time and resources into a new supply chain tracking system and were going to market with a “green” product line in their retail clothing stores. But soon after the rollout, they began hearing rumblings from environmental activists, then from the mainstream media.

The news headlines announced that the “green” clothes were no different from other clothes in the company’s retail stores. They had the same carbon footprint, same use of water, same labor sourcing. Critics called it a clear case of greenwashing, accusing the company of breaking its brand promise. Soon even internal stakeholders started to agree.

The retailer cancelled their marketing campaign, unable to defend their green claims. Then they relabeled the entire clothing line. The fallout continues to unfold as the international retail brand contends with ongoing customer attrition, litigation and reputational damage.

These consequences could have – and should have – been easily prevented. Learn more below about how BDO suggests mitigating the risk of greenwashing.

## What is greenwashing?

The Corporate Finance Institute says greenwashing is “when the management team within an organization makes false, unsubstantiated, or outright misleading statements or claims about the sustainability of a product or a service, or even about business operations more broadly.”

### Omission

Leaving out key information or context. For example, a company celebrates its diversity training while omitting data around DEI (Diversity, Equity, and Inclusion) representation and efforts toward progress – demonstrating a lack of transparency around women and minorities in management and board roles.

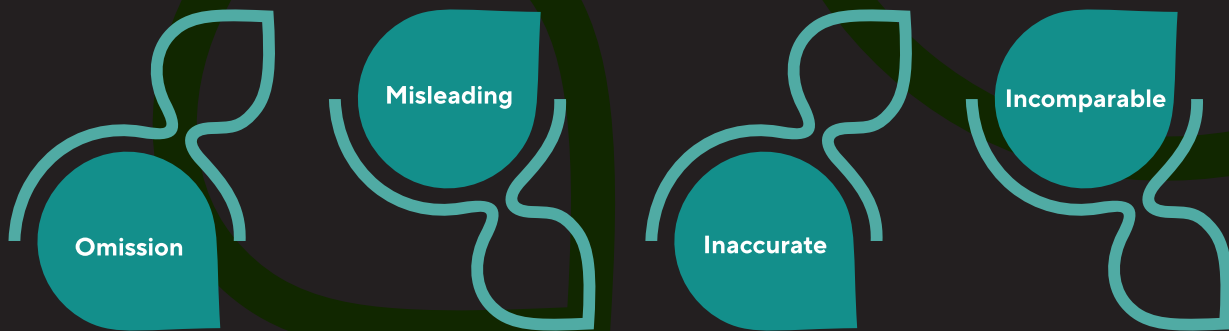
### Misleading

Giving the wrong impression of status or progress. This might include pushing carbon-intensive operations down the supply chain to remove it from a company’s direct responsibility. Not only is this misleading, it’s going to come back around since companies are now expected to know their suppliers and report those emissions too.

### Inaccurate

Reporting data that isn’t factual – even if it isn’t intentional. In the early stages of an ESG strategy, estimations are necessary while tracking systems are being put into place. Internal teams may be tempted to take shortcuts to arrive at a metric, especially one that’s favorable to the company.

GREENWASHING FALLS INTO FOUR GENERAL CATEGORIES:





### Incomparable

When there's no standard to compare against. There are plenty of measurement frameworks, like the Global Reporting Initiative (GRI) or the Sustainable Accounting Standards Board (SASB). Using standard definitions and methodologies ensures consistency across companies and industries. It also gives an organization the ability to measure itself over time and against prior periods, avoiding the further pitfall of disclosing data that is favorable in one period and not disclosing it in another period when it is no longer favorable.

## How does greenwashing occur and what are the risks?

Some cases of greenwashing stem from inflated marketing claims. Certain terms such as natural, green, sustainable and eco-friendly aren't regulated, and products with environmental claims pepper the shelves of every supermarket, often outselling mainstream products.

Marketing claims can damage a company's social license to operate, but formal reporting and technical claims heighten the risk of greenwashing even more. Reporting on ESG and sustainability exposes companies to deeper scrutiny and criticism. Not every greenwashing accusation is credible and not every claim has a cascade of consequences. But when they do, companies struggle in three key areas:

- **Reputation:** Damaging the company's image and credibility. For many companies, their ability to generate revenue is tied to their brand equity – awareness, favorability and likeliness that customers will recommend the brand to others. That equity can take a big hit when a brand is associated with greenwashing. It damages the company's credibility and can erode its social license to operate.
- **Regulation:** The risk of actually breaking the law. Greenwashing can expose a company to government regulations at national and international level. As ESG and sustainability become more important, the rules

are evolving, and it can be hard to keep up with what's acceptable, both in the areas of ESG reporting and in the way banks and investment firms label ESG funds.

- **Regression:** A setback in a company's ESG momentum. Greenwashing claims can be a momentum-killer for proactive sustainability strategies within an organization. It's hard enough to obtain buy-in and alignment to share ESG goals, progress and stories. Greenwashing accusations can slow the progress of a company's sustainability strategy, sometimes setting teams back for months or years.

Organizations may be tempted to avoid any kind of proactive sharing. But there are too many business benefits to prioritizing ESG. And even if it's not a priority for you, it's likely to be a priority for your competitors.



Stakeholders are demanding corporate sustainability and responsibility too. Investors are using ESG factors in decision-making. Consumers want to know about the brands they buy. Employees want their employer to reflect their personal values. And regulators like the U.S. SEC and the European Union are actively codifying ESG reporting requirements into law.

## How can greenwashing be prevented?

So how can companies maximize the benefits of ESG reporting for their stakeholders, while minimizing the perils of greenwashing claims?

Establishing internal controls for ESG data and reporting is essential. Every company should be doing so. Internal controls include systems, policies and processes that ensure the reliability of data and disclosures. They cover the full cycle of ESG data management, accumulation, evaluation and reporting. To do this right, you'll need to utilize cross-functional reviews, including the Office of the General Counsel, executive management, investor relations, the board or committee that oversees ESG, the Chief Financial Officer as well as the Disclosure Committee. Also, it's important to benchmark against the disclosures of competitors to see how you compare, as well as align with commonly used sustainability standards and disclosure requirements, including those that are industry-specific.

If you don't have the capabilities yourself, you might consider engaging external consultants. There are more and more service providers establishing their credentials in this area. If you do, be sure to understand their credentials and their ability to help you to:

- Establish an ESG strategy and program
- Improve ESG ratings
- Manage ESG risks and compliance
- Enhance their brand and drive new revenues
- Optimize costs to meet ESG targets
- Access sustainable financing and investing

Even with sound internal controls in place, third-party assurance – also known as attestation – is becoming a necessary safeguard to independently evaluate disclosures and thus mitigate greenwashing risk. Assurance is not new. It's been a necessary component of financial reporting for years. But now, there's a growing need for custom expertise around non-financial reporting too, applying the same rigor of assurance to ESG and sustainability reporting. Third-party assurance involves:

- Identifying the ESG factors that will be attested to – known as setting the scope.
- Assessing the design and effectiveness of the controls over the relevant data and disclosures.
- Performing procedures to assess the accuracy and completeness of these disclosures.
- Taking into consideration the disclosure requirements of the sustainability reporting frameworks the enterprise has elected to utilize.

Obtaining third-party assurance is not currently mandatory in most jurisdictions. However, it may be very soon. In the U.S., SEC rules as currently proposed would require large accelerated filers to obtain third-party limited assurance in fiscal year 2024, with accelerated filers following in 2025. And in the EU, the European Corporate Sustainability Reporting Directive (CSRD) will require more than 50,000 European companies – and non-European companies with substantial activity in the European market – to obtain third-party limited assurance over sustainability metrics beginning in 2025. The BDO ESG Strategy and Services team monitors developments and shares updates via our ESG Center of Excellence site.

## The journey toward transparent reporting

Consider a different scenario. Company X goes to market with a carbon neutral product. They've used recycled materials. They have trimmed their carbon footprint and are purchasing offsets while they work towards zero emissions. They're using renewable energy and utilizing tax credits. It's a great story, a win for the entire organization and a point of pride for employees, investors, vendors and customers.

However, certain Company X leaders are hesitant to promote

their sustainability actions, given the multiple variables and complex landscape. They know they aren't perfect, and some are afraid of backlash. So, they engage assurance experts. Those experts inspect their ESG reporting for information that can be seen as an omission, misleading, inaccurate or non-comparable. They call out the fact that the company's tax contribution is lower because of the energy credits. They recommend disclosing the source of the offsets and data not only on their progress towards zero emissions, but on how far they have yet to go to reach their goals, and the key strategies that will get them there.

Ultimately, the company might be criticized for making slow progress. But they also get support from customers and employees who appreciate their transparency, and their commitment to the journey towards sustainability. They know which regulations to consider and build into their ESG framework. They know how to report progress in a fair and balanced manner. They have better key performance indicators, and a feedback loop on progress. And ... most importantly ... they have ESG disclosures they are proud of, and they can stand behind.

### Author's biography

**Mr. Yunis Salayev** is the Managing Partner at BDO in Azerbaijan with responsibility for developing and implementing company strategies, managing client relationship, service delivery, human resources, business processes and risks.

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In 2019 Yunis Salayev was honored with the award by the Chamber of Auditors of Azerbaijan for his contribution to development of audit profession in Azerbaijan.



# Navigating the Changing Landscape: Legal Challenges and Emerging Trends in Alternative Energy



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## Abstract

The Sustainable Development Goals established by the United Nations comprise a comprehensive framework of international targets that aim to tackle diverse social, economic and environmental issues. Among these goals, Goal 7 emphasizes the importance of providing universal access to affordable, reliable, sustainable and modern energy.<sup>1</sup> Embracing alternative energy technologies not only drives economic growth and job opportunities, but also attracts investments, stimulates technological innovation and cultivates domestic industries. As a post-soviet nation and an industrial state, the economy of the Republic of Azerbaijan is significantly based on oil production.<sup>2</sup> The combination of these related newly emerged challenges give impetus for Azerbaijan to diversify its economy via a green economy that will pave a way for the long-term economic stability while addressing environmental and social concerns in the country.<sup>3</sup> In this regard, the principal purpose of this article is to explore the legal challenges arising from the alternative energy sector in Azerbaijan and propose appropriate measures for the regulatory framework.

## Introduction to Azerbaijan's Alternative Energy Landscape

Azerbaijan's diverse topography includes highland areas that benefit from elevated elevations. On average, the country enjoys 250 to 300 sunny days per year, although slight variations may occur depending on the specific geographic region within Azerbaijan.<sup>4</sup> For these reasons,

1. Paul Munroa, Greg van der Horstb, Stephen Healya, "Energy justice for all? Rethinking Sustainable Development Goal 7 through struggles over traditional energy practices in Sierra Leone", pp. 1-6

2. Nurtaj Vidalia, Elchin Suleymanov and Cihan Bulut and Ceyhan Mahmudlu, "Transition to renewable energy and sustainable energy development in Azerbaijan", *Renewable and Sustainable Energy Reviews*, Dec 2017, pp. 1154- 1158

3. Japan Special Fund (JSF). Regional Environmental Center for Central and Eastern Europe: studies prepared under the project promoting Green Economy in GUAM Countries: promotion of renewable energy sources. Azerbaijan, Georgia, Moldova, Ukraine, London; 2014

4. Akif A. Alizadeh, Ibrahim S. Guliyev, Fakhraddin A. Kadirov, Lev V. Eppelbaum, "Geosciences of Azerbaijan, Volume II: Economic Geology and Applied Geophysics, pp. 219-253

the government of Azerbaijan has demonstrated its interest in solar energy as a sustainable and viable source due to its abundance of sunlight. For instance, the "Strategic Roadmap for the Development of Utilities (Electricity and Heat) in Azerbaijan" approved by the President's decree on December 6, 2016, sets a target for increasing the proportion of renewable energy, including wind power, in the national energy mix.<sup>5</sup> Furthermore, Azerbaijan has established the State Agency on Alternative and Renewable Energy Sources to coordinate and implement policies related to alternative energy.<sup>6</sup> As a member state of the International Renewable Energy Agency, the country engages in collaborative efforts, knowledge exchange, and the adoption of best practices in the field of renewable energy.<sup>7</sup> In 2023, Masdar, an energy company based in the United Arab Emirates, entered into agreements with the State Oil Company of the Republic of Azerbaijan (SOCAR) to develop Azerbaijan's wind and solar power capacity integrated with green hydrogen projects. The projects align with Azerbaijan's target of meeting 30% of its domestic power needs from renewable sources by 2030, while also diversifying its economy and reducing greenhouse gas emissions.<sup>8</sup> However, being a developing country, Azerbaijan encounters various legal challenges in the development and implementation of alternative energy projects.

## Legislative Measures Promoting Alternative Energy in Azerbaijan

The current legal framework regulating the energy market is mainly built with a focus on the role of the government (through public utilities).

5. Strategic Roadmap for Development of Utilities Services (electric energy, heating, water and gas) in the Republic of Azerbaijan, Approved by Decree of the President of the Republic of Azerbaijan dated December 6, 2016

6. The State Agency on Alternative and Renewable Energy Sources (SAARES) was established following a Presidential Decree on July 16, 2009 as a part of the Ministry of Industry and Energy. The main purpose is to provide the country with alternative sources of energy

7. IRENA (2019), "Renewables Readiness Assessment: Azerbaijan", International Renewable Energy Agency, Abu Dhabi, pp. 1- 33

8. Benny, J. (2023) "Masdar signs agreements with Azerbaijan to develop renewable energy projects," *The National*



1. The Law on Energy;<sup>9</sup>
2. The Law on Electrical Power;<sup>10</sup>
3. The Law on Electrical and Thermal Power Plants;<sup>11</sup>
4. The Law on Utilization of Renewable Sources in the Electricity Production;<sup>12</sup>
5. The Law on Efficient Use of Energy Resources and Effectiveness of Energy.<sup>13</sup>

### Legal challenges associated with these policies' and regulations' implementation and enforcement in the alternative energy sector

The insufficient provision of incentives for alternative energy signifies the absence or limited availability of measures, financial support or policy mechanisms that stimulate the advancement and utilization of alternative energy sources in Azerbaijan.

#### **a. Lessons Learned from Challenging Feed-in Tariff and Net Metering Implementations**

Feed-in Tariff (FiT) and Net Metering are both renewable energy policies that facilitate the adoption of alternative energy sources. Feed-in Tariff policies provide crucial support for the advancement of renewable energy sources by ensuring producers receive a guaranteed price that surpasses the market rate. The system was introduced in 2000 with the adoption of the Renewable Energy Act in Germany. The central mechanism of a feed-in tariff is a guaranteed, fixed wholesale price for green electricity for a specific time. Following the introduction of the Renewable Energy Act, electricity produced by Renewable Energy Sources, as a share of overall electricity consumption, increased from 6.2% in 2000 to 23.7% in 2012.<sup>14</sup> Insufficiently designed FiT systems in Azerbaijan will be able to pose challenges in securing long-

9. Law 541-IQ, 1998

10. Law 459-IQ, 1998

11. Law 784-IQ, 1999

12. Law 339-VIQ, 2021

13. Law 359-VIQ, 2021

14. Peter Haan and Martin Simmler, "Wind electricity subsidies - A Windfall for landowners? Evidence from a feed-in tariff in Germany", pp. 2-10

term power purchase agreements and attracting investments for renewable energy projects.<sup>15</sup>

Net metering is an efficient reward program for consumers who produce electricity through their limited alternative energy systems. Net metering programs allow the users to store excess energy on the grid instead of storing it in large batteries. During a survey of residents of Sri Lanka, heads using the net metering solar system were studied and results revealed that 77% of the domestic heads surveyed were mindful of energy savings through solar panel installations and the remaining 23% were not aware of the grid power solar net metering.<sup>16</sup> However, the limited or non-existent availability of net metering programs can discourage the adoption of alternative energy technologies.<sup>17</sup> Azerbaijan serves as an example, where there is a growing interest in the development of large-scale solar and wind power projects to diversify the energy mix and decrease reliance on fossil fuels. The resulting lack of regulatory clarity and consistency acts as a deterrent for potential investors and hampers the progress of utility-scale alternative energy projects. Consequently, Azerbaijan falls behind in achieving its renewable energy targets and continues to heavily depend on conventional energy sources.

#### **b. Challenges in Land Rights and Acquisition for Alternative Energy**

Land is a critical resource for renewable energy projects, including solar farms, wind turbines and hydropower plants. Incompatible land uses, such as restrictions on building wind turbines near residential areas, further complicate project siting. Additionally, concerns about visual impacts and potential alterations to scenic landscapes or cultural heritage sites can result in opposition or legal challenges from local communities and residents.<sup>18</sup> For example, consider Azerbaijan seeking to expand its renewable energy capacity by establishing wind farms along the coastline. However, coastal areas are often utilized for fishing activities, tourism, and environmental conservation, leading to potential conflicts in allocating and using land for wind energy projects. Local communities and stakeholders, such as fishers and tourism operators, may express concerns about the potential disruptions to their livelihoods and the environment. Such concerns can result in opposition and resistance, causing delays and complexities in acquiring land for wind farm projects.

#### **c. Lack of Intellectual Property Protection**

Accessing patented technologies and ensuring their affordability pose challenges for developing nations. Collaboration between developed and developing countries plays a vital role in advancing alternative energy technologies.<sup>19</sup>

15. Tran Thi Lan, Kuaanan Techato and Sopin Jirakiattikul, "The Challenge of Feed-In-Tariff (FIT) Policies Applied to the Development of Electricity from Sustainable Resources - Lessons for Vietnam", International Energy Journal 19 (2019), pp. 199 - 208

16. M.G.W.U. Abeywickrama, P. Sridarran, M. Gowsiga and R.A.A. Dilogini, "Strategies to Enhance the Applicability of Grid Power Solar Net Metering Concept in Sri Lanka", pp. 757- 761

17. Naila Saleh and Sara, "Net Metering and Solar PV Prosumage in Pakistan: Growth and Challenges", pp. 83- 97

18. Yenneti, Komali, Day, Rosie and Golubchikov, Oleg Orchid, "Dispossessing Vulnerable Communities Through Solar Energy Mega Projects", pp. 3- 18

19. John H. Barton, "Intellectual Property and Access to Clean Energy Technologies in Developing Countries", pp. 2- 18

Consider a scenario where a research institution or private company in Azerbaijan achieves considerable progress in solar panel technology, creating a more efficient and cost-effective solution compared to existing market products. Competitors or manufacturers may replicate and sell identical or similar solar panels without obtaining the necessary licenses or permissions. In this case, foreign companies or investors may hesitate to engage in joint ventures or technology transfer agreements if they perceive weak protection of intellectual property rights in the country. Consequently, this can lead to a loss of market share, decreased profitability, and limited opportunities for further research and development.

## Overcoming Legal Challenges in Alternative Energy: What are the Solutions?

### *a. Designing Effective Feed-in Tariff Policies and Net Metering Regulations*

Excessive consumption of fossil fuel-based energy in a country presents significant potential for the emergence and integration of alternative energy sources. Through diversifying the energy mix and reducing dependency on fossil fuels, Azerbaijan can effectively mitigate environmental impacts and bolster energy security. The presence of vacant areas in Azerbaijan provides a favorable setting for the implementation of the Public-Private Partnership (PPP) model in the field of alternative energy.<sup>20</sup> The PPP model involves a cooperative arrangement between the government and private entities, where both parties contribute resources, expertise and financial investments to jointly undertake projects. By utilizing these vacant areas, the government can offer land resources while private companies contribute technical knowledge, innovation and funding for the development of alternative energy infrastructure. By repurposing these areas for alternative energy initiatives, the country can tap into its renewable energy potential and reduce reliance on traditional energy sources.<sup>21</sup> This will unlock the potential of vacant areas in Azerbaijan, paving the way for a sustainable and prosperous energy future.

To facilitate the implementation of renewable energy projects, it is essential for Azerbaijan's legislation to include provisions for the establishment of feed-in tariffs. The implementation of feed-in tariffs can offer renewable energy producers' long-term contracts with fixed premium rates, providing stability and favorable conditions for project developers. A notable example is Germany's introduction of the Renewable Energy Sources Act in 2000, which incorporated a robust feed-in tariff mechanism. As a direct outcome of this policy, Germany experienced a substantial growth in renewable energy capacity, particularly in wind and solar power. This expansion not only increased the proportion of renewable energy in Germany's electricity generation, but also stimulated the development of a robust renewable energy industry and



contributed to the creation of numerous job opportunities.<sup>22</sup> Net metering enables energy consumers who possess renewable energy systems, such as solar panels, to produce electricity for their own usage while also supplying any surplus electricity back to the power grid. The implementation of net metering programs presents individuals and businesses with financial incentives to invest in renewable energy systems. Participants in these programs can lower their electricity bills by utilizing the electricity they generate themselves. For instance, the Net Metering Program introduced in the Philippines in 2008 has played a crucial role in fostering the adoption of renewable energy. This initiative has empowered residential, commercial, and industrial consumers to generate their own electricity and contribute to the grid, thereby reducing their dependence on conventional fossil fuel-based power sources.<sup>23</sup> In order to support alternative energy projects, it is crucial for strategic planning to consider the existing infrastructure and the potential need for additional infrastructure development.<sup>24</sup> To optimize land use and minimize conflicts, it is important to develop a clear land zoning plan that designates specific areas for different types of alternative energy projects, such as solar farms and wind parks. For instance, the government of Gujarat implemented a strategic plan for renewable energy development, which involved identifying suitable areas for solar and wind power projects through extensive mapping and analysis. By identifying regions with high solar radiation and favorable wind conditions, Gujarat has emerged as a leading region in India for renewable energy generation.<sup>25</sup>

22. C. Mitchell, D. Bauknecht and P.M. Connor, "Risk, Innovation and Market Rules: A Comparison of the Renewable Obligation in England and Wales and the Feed-In System in Germany", pp. 2- 14

23. Youngho Chang, Zheng Fang and Yanfei Li, "Renewable Energy Policies in Promoting Financing and Investment among the East Asia Summit Countries: Quantitative Assessment and Policy Implications", pp. 3- 20

24. Marcus King, Anjali Jain, Rohit Bhakar, Jyotirmay Mathur, Jihong Wang, "Overview of current compressed air energy storage projects and analysis of the potential underground storage capacity in India and the UK", pp. 7-11

25. Siddharth Sareena and Sunila S. Kale, "Solar 'power': Socio-political dynamics of infrastructural development in two Western Indian states", pp. 271- 276

20. Nurmukhammad Yusupov, "Measuring the Impact of Road Infrastructure on Household Well-being: Evidence from Azerbaijan", pp. 5- 16

21. V Kanakoudis, M Podimata, A Papatou, "PPPs in the renewable sources energy sector: the Greek experience of a medium-scale hydropower plant", pp. 42- 48





### **b. Addressing Legislative Challenges: Recommendations and Best Practices**

A well-defined set of laws can establish a comprehensive regulatory framework encompassing various aspects of Azerbaijan's alternative energy, including connection procedures, licensing requirements, permitting processes, and environmental impact assessments. Such legislation can streamline administrative procedures and ensure fairness among renewable energy projects. For instance, India's Renewable Energy Act, implemented in 2015, was the introduction of a Renewable Purchase Obligation. The Act established a National Renewable Energy Policy, which involved the creation of regulatory bodies and mechanisms responsible for overseeing the implementation, monitoring and enforcement of the law in India. Consequently, this specific legislation provided a clear roadmap, financial incentives and regulatory support, thereby attracting investments and promoting technological advancements in the renewable energy sector.<sup>26</sup>

### **c. Unlocking the Potential of Land for Alternative Energy Projects: Comprehensive Land Resource Assessment and Planning**

Azerbaijan can establish a structured and legally binding framework for land use in alternative energy projects through the implementation of land lease agreements. These agreements enable the country to secure the necessary land for such projects while providing clarity and transparency regarding the rights and responsibilities of all involved parties. Incentives in the form of financial compensation can be included in these agreements to encourage landowners to lease their land for renewable energy initiatives, thereby promoting economic benefits and supporting the development of alternative energy. By establishing long-term commitments, land lease agreements ensure stability and continuity for renewable energy projects. A notable example is the Lake Turkana Wind Power Project, Africa's largest

wind farm situated in northern Kenya. To overcome land use challenges, the Kenyan government and project developers engaged in land lease agreements with local communities and landowners, effectively leasing the required land for the wind farm while safeguarding the rights and interests of the local communities. Through these agreements, fair compensation was provided to the landowners, resulting in economic benefits for the communities and addressing any concerns associated with land acquisition.<sup>27</sup>

Enhancing the efficiency of obtaining permits for alternative energy projects by simplifying the application procedures is a crucial step to reduce bureaucratic obstacles. Within the context of Azerbaijan, there exists a potential deficiency in transparency and established platforms pertaining to the realm of alternative energy. To address this issue, the country can establish an integrated approval system that involves multiple stakeholders, including environmental agencies, land-use authorities and local communities. This collaborative approach ensures coordination and cooperation among various entities, resulting in a more efficient permitting process.<sup>28</sup> A similar example can be observed in Rajasthan, where the government successfully introduced a simplified and streamlined application process for setting up solar power projects. By implementing a single-window clearance system, developers could submit their applications and obtain all necessary permits and approvals within specified timeframes.<sup>29</sup>

### **d. Strengthening Intellectual Property Protection for Alternative Energy Technologies**

Azerbaijan can engage in negotiations with technology providers to obtain the necessary intellectual property rights for alternative energy technologies, incorporating provisions for compulsory licensing, technology sharing or preferential treatment for domestic industries to ensure affordable access to such technologies. A practical example illustrating the significance of strengthening intellectual property protection can be observed in China's solar photovoltaic manufacturing sector. Although China has become a prominent global player in PV manufacturing, it has encountered intellectual property-related obstacles. Concerns have been raised by foreign companies regarding intellectual property infringement and unfair practices in the Chinese market, potentially discouraging innovation and investment. In response, China has implemented measures to enhance intellectual property protection specifically for alternative energy technologies. Notably, the establishment of specialized intellectual property courts has led to a more focused and efficient legal process for resolving intellectual property disputes, thus bolstering the safeguarding of intellectual property rights. The implementation of a subsidy program that rewards companies for their development and commercialization of innovative alternative energy technologies has incentivized

26. Ruchi Tyagi, Atul Agrawal and Shaikh Samsheer Ali, "Indian Journal of Power & River Valley Development, Oct. 2020, Indian Renewable Energy Act 2015: A Step Towards Reducing Carbon Footprint", pp. 145-151

27. Zoe Cormack and Abdikadir Kurewa, "The changing value of land in northern Kenya: the case of Lake Turkana Wind Power", pp. 1- 16

28. Dr. Kim Schumacher, "Approval Procedures for Large-Scale Renewable Energy Installations: Comparison of National Legal Frameworks in Japan, New Zealand, the EU and the US", pp.10- 38

29. Jugal Barpartraghain, "Alternate energy: Strategy to address energy security in emerging India", pp. 1-10



research and development while safeguarding intellectual property rights.<sup>30</sup>

#### **e. Certificate Trading and Alternative Energy: Market Transparency and Integrity**

The primary support mechanisms widely employed in the promotion of renewable electricity encompass public research and development, tax and investment incentives, feed-in tariffs, net metering and quota-based mechanisms based on certificate trading. Tradable Green Certificates serve as evidence that the obligated party has generated a specific proportion of their electricity from renewable energy sources. Failure to provide enough certificates incurs a penalty payment. The Renewable Energy Certificate (REC) program in the United States serves as a practical illustration of certificate trading within the alternative energy sector. Through this program, producers of renewable energy can obtain certificates for each unit of renewable energy they generate.<sup>31</sup>

#### **f. Exploring Privatization and Corporate Governance in the Alternative Energy Sector**

By embracing robust corporate governance practices and implementing well-regulated privatization strategies, Azerbaijan can effectively address the challenges arising from the alternative energy sector and pave the way for a sustainable energy future. In the alternative energy sector, corporate governance pertains to a set of regulations, rules, and practices that govern the decision-making processes and overall management of organizations involved in this sector. Corporate governance practices enhance the credibility and trustworthiness of alternative energy organizations, attracting investors, securing financing and facilitating partnerships for

technological advancements and market expansion.<sup>32</sup> On the other hand, privatization involves the transfer of ownership, control or management of energy assets or services from the public sector to the private sector. However, it is vital to strike a balance between privatization and regulatory oversight to ensure fair competition, consumer protection and environmental sustainability.

### **Takeaways**

In conclusion, it is crucial to address the legal obstacles associated with alternative energy to foster its growth and maximize its potential. This article has examined the various legal challenges that the alternative energy sector faces in Azerbaijan, including inadequate policies, regulatory frameworks, land rights issues, financing limitations and intellectual property concerns. By implementing tailored policies and regulations, streamlining permitting processes, promoting land lease agreements, facilitating access to financing and investment and establishing robust intellectual property frameworks, Azerbaijan can create a conducive environment for the development of alternative energy.

32. Gloria Cuevas-Rodriguez, Jaime Guerrero-Villegas and Ramón Valle-Cabrera, "Corporate governance changes, firm strategy and compensation mechanisms in a privatization context", pp. 199- 215

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Anar holds an LL.M degree from Renmin University of China and an MA in International Relations from China Foreign Affairs University. His educational background, coupled with extensive practical experience, enables him to provide high-quality and professional legal services.

30. Alan C. Goodrich, Douglas M. Powell, Ted L. James, Michael Woodhouse and Tonio Buonassisi, Energy & Environmental Science, "Assessing the drivers of regional trends in solar photovoltaic manufacturing", 2013 pp. 2811- 2817; Sun Hongyang, Zhiqiang, Wang Yibo, Yao Qiang and Su Jun, "China's solar photovoltaic industry development: The status quo, problems and approaches", pp. 222- 229

31. Bird, Lori and Blair Swezey, 2006. "Green Power Marketing in the United States: A Status Report (Ninth Edition)." NREL/TP-640-40904. Golden, Colorado: National Renewable Energy Laboratory, pp. 3- 30

# Empowering the Unbanked and Transforming Communities



**Special interview with Seymur Mammadov**  
Chief Executive Officer, Simbrella  
Winner, 'EY Entrepreneur Of The Year 2023'  
award

*raise the bar and embrace a diversity of thinking and inclusiveness of ideas that lead to new business models, and technological solutions to the most high-stake problems.*

It's not just about being innovative in order to find solutions or to problems or improve business models. This may sound a bit far-fetched, but a lot of my fellow entrepreneurs want to change the world. Through purpose, we want to make an impact. It is one of the top reasons entrepreneurs often endure the never-ending problems and carry on in the face of constant challenges. Because when you believe in what you are doing, you just continue.

*Entrepreneurs are driving change and making sustainable, meaningful differences for society, communities, countries, and economies. Indeed, entrepreneurs matter, because they are making a world of difference. What is it that Seymur has been doing that allowed Simbrella's impact to extend far beyond Azerbaijan, garnering international recognition for its groundbreaking work?*

In short, we have - from the outset - tried to hone a thorough understanding of emerging technologies and develop an attentive eye for market trends. Of course, twenty years ago, when we just started, there was no such notion as 'disruptive technology'. Looking back, though, I think that effectively it's exactly what we came up with. Although, at the time we called it simply a forward-thinking approach. To this day, what helps us gain recognition, both in Azerbaijan and overseas, is our constant strive to introduce innovative solutions, and, if you will, push the boundaries.

*Simbrella emerged on the Azerbaijani tech scene nearly two decades ago. From its humble beginnings, it has grown into a leading technology company that has now firmly established itself as one of the so-called trailblazers in the industry, offering new cutting-edge solutions and innovative software development. Industry insiders say that Simbrella has managed to transform the way individuals and businesses interact with money. How did these accomplishments come about?*

We have worked very hard to first develop and then sell our disruptive solutions to leading organizations in diverse industries. We've seen that our products empowered

In the ever-evolving world of technology and entrepreneurship, there are individuals who not only excel in their respective fields but also inspire others with their remarkable journey. One such visionary is Seymur Mammadov, the founder and CEO of Simbrella, an Azerbaijani company that has been making waves in the tech industry. Seymur's vision and groundbreaking innovative approach have earned him the prestigious title of 'EY Entrepreneur Of The Year™ 2023' in Azerbaijan. At the time this publication went to print, he was representing his nation at the 'EY World Entrepreneur Of The Year 2023' in Monaco. IMPACT talked to Seymur to delve into Simbrella's extraordinary story.

*Right now, entrepreneurs matter more than ever. They are an important driver of economic recovery. The global startup economy creates 6.4 trillion dollars, according to the latest Global Startup Ecosystem report. Revenues apart, entrepreneurs matter because of the incredibly positive impact they have on the way we work, the way we live and the global challenges we face. They*



businesses to streamline their operations, enhance customer experiences, and achieve sustainable growth. But what's perhaps even more important in an industry like ours is the ability to anticipate industry shifts and capitalize on opportunities. I sense that we've managed to do it over the years. In fact, it's our 'sixth sense' that's been instrumental in the company's growth. And with no false modesty I'm thrilled to point out the fact that Simbrella gained clients from around the world, while our innovative solutions have received recognition both locally and globally.

***The popular verdict within the industry is that Seymur has indeed a deep understanding of emerging technologies and a keen eye for market trends. It is his visionary leadership, industry observers say, that has been instrumental in revolutionizing the tech landscape in his homeland and beyond. The company has played a pivotal role in driving digital transformation across various sectors in Azerbaijan, especially telecommunications. But it's Simbrella's new mission that has been making ripples, especially in the developing world.***

Imagine living without a bank account. We're quite privileged in the sense that practically everyone we know is likely to have some sort of an account in the bank. However, for millions of people in the developing world having no bank account is a reality. Not only is it a hindrance to everyday life, but it also stunts the financial growth of families and communities. So, we have set about improving the quality of life for unbanked populations through access to financial instruments and microloans. It is still a work in progress, but tens of millions of people use Simbrella products every day to secure long-term funding and meet short-term financial needs. We are making a tangible difference in the lives of unbanked populations across the world.

***Simbrella's range of financial instruments and microloans has now been recognized as a commitment to provide financial access to the underbanked population and empower communities. Indeed, almost an instant and user-friendly way to secure a microloan provides a lifeline to millions of households without current (checking) or savings accounts. Living without access to banking services presents numerous challenges that hinder daily life and impede financial growth for families and communities.***

Well, look, whether this is visionary leadership or whatever else, I don't know. What I do know is that a while ago we recognized the importance of breaking down these barriers and made it somehow our mission to improve the quality of life for unbanked populations. Through our financial instruments and microloans, hundreds of millions of people now have the opportunity to secure some funding. This allows them to go about their daily lives unhindered, encourages entrepreneurship and eventually results in economic growth.

***Simbrella's impact goes far beyond Azerbaijan, as the company expands its mission to communities around the globe. Working in collaboration with governments and organizations, Simbrella is making a significant difference***

***in regions such as Asia, Latin America, and Sub-Saharan Africa. In Nigeria, for instance, the company partners with the country's largest mobile operator, providing microloan access to up to 80% of their customers, serving as a catalyst for economic growth and financial inclusion. Simbrella's success in Nigeria has prompted plans for further expansion into the Far East, Indonesia, and further across Africa, extending Simbrella's reach to more underprivileged populations in need of financial empowerment.***

Since we're a tech company, we're of course focused on technological advancement. But making a positive social impact isn't just a popular catchphrase that we're highlighting. We have over the years actively engaged in various corporate social responsibility initiatives, supporting local communities. We have another mission that we've stayed committed to: promoting education in technology. By empowering the youth and fostering digital literacy, we at Simbrella are shaping the future of Azerbaijan, paving the way for a technologically empowered society. These may sound like slogans, but we do believe in the power of digital literacy.

***It is perhaps this digital literacy that enabled Seymur Mammadov to embark on his journey as the founder of Simbrella whose commitment to providing financial access and microloans has improved the lives of countless individuals and propelled economic growth in various regions. Visionaries like Seymur are shaping a future where financial inclusion is a reality for most of us.***

In addition to micro-loans, we also offer Data as a Service (DaaS). I won't exaggerate if I suggest that DaaS is revolutionizing industries such as advertising, banking, retail, and insurance. This data mining service enables companies to create new and relevant products for consumers. My team and I firmly believe that leveraging data can have a transformative impact on critical areas, such as medicine, transportation, and education, ultimately improving people's lives in real terms.

*The industry insiders and competitors alike unequivocally agree that Seymur Mammadov's professional achievements are truly remarkable. 'EY Entrepreneur Of The Year 2023' award is a testament to visionary leadership and genuine social responsibility. With Simbrella's global reach and collaborations, Seymur's mission continues to expand, reaching unbanked populations in need across the globe.*

#### ***Biography of our guest***

***Mr. Seymur Mammadov is the founder and CEO of Simbrella, a global company, present in 25 countries with 220 million end users served across the globe. On a national level, Simbrella is working with Azerbaijan's Ministry of Economy on a portal that provides microenterprises with access to state support based on data such as tax history and assets held by government agencies.***

*In 2023, Seymur won a coveted 'EY Entrepreneur Of The Year' award in Azerbaijan.*

*Seymur has a Master's degree from Azerbaijan Technical University and lives in Baku.*

# Becoming A New Age University: Sustainable University Model of MSU



**Dr. Shahin Bayramov**

Rector, Mingachevir State University  
Board Member, International Association of  
Universities (IAU)  
PhD in Economics

Mingachevir State University's (MSU) main strategic goals are to be included in the top five national universities of Azerbaijan, to become a driver of regional development and innovation ecosystem and to become a New Age University. To achieve these goals, MSU is promoting the transformation of the University towards sustainable development, which involves complex actions that take into account the current realities and potential opportunities of the University. The University also pays particular attention for improving the content of scientific research, increasing the use of modern methods and building scientific activity on a result-oriented approach. MSU is also actively involved in international cooperation, including student and teacher exchange programs, joint participation in Erasmus+ programs, conducting joint scientific research and holding joint scientific conferences.

In order to become a New Age University that promotes sustainable development, MSU has set out a clear strategy

that aligns with global and national policies. By prioritizing the United Nations' Sustainable Development Goals, particularly SDG 4 on Quality Education and SDG 4.7 on Education for Sustainable Development, MSU is positioning itself to be at the forefront of the sustainability movement in Azerbaijan. The University puts efforts into contributing to the national state policy regarding sustainable development in Azerbaijan, formed by the government and particularly within the National Coordination Council on Sustainable Development.

MSU aims to accomplish its sustainability goals through strong leadership commitment, fostering a social network that emphasizes cooperation, collaboration, and co-creation, encouraging participation in decision-making processes, promoting education and learning for sustainable development, integrating sustainability research across disciplines, and implementing performance management practices that measure and improve progress towards sustainability. By focusing on these areas, MSU hopes to make significant strides towards creating a more sustainable and prosperous future for Azerbaijan and the wider world.

MSU's Sustainable University Model is centered on three approaches: academic, internal and external. The academic approach focuses on providing interdisciplinary, transdisciplinary, and multidisciplinary knowledge, skills, competences, and values. The University accomplishes this through research and innovation, such as publishing a scientific journal and establishing Sustainable Development and Regional Innovation Research Center, as well as hosting conferences, seminars, and workshops. The education and experience aspect of this approach includes undergraduate programs in Engineering and IT faculties, a Master's program in Economics and Management Faculty, and future PhD programs in the Education Faculty. The internal approach emphasizes campus and campus life, where the University encourages sustainable practices, such as energy and water efficiency, waste management, and equity, while ensuring the health, safety, and access of disabled persons. The external approach involves engaging the wider community, ecosystem, and the world through international cooperation, e-learning and certificate programs, NGO and platform collaborations,



career development, and involvement with municipalities, mass media, governmental agencies, research communities, and the private sector. Finally, the University's value system emphasizes the importance of an organizational culture that embodies University social responsibility and academic ethics.

## Academic approach

Through the University's academic approach, MSU is committed to promote sustainable development through research and innovation. To achieve this goal, the University has undertaken various initiatives, such as the creation of a Sustainable Development and Regional Innovation Research Center, publishing multidisciplinary scientific journal of sustainable development, and the implementation of sustainable development strategies in academic departments. Along with hosting annual international conferences and seminars, MSU has established a Student Scientific Society and Student Startup Teams. The University's research topics are aligned with sustainable development goals, covering areas such as the Fourth Industrial Revolution, environmental economics, green energy, poverty reduction, and intercultural communication. Its efforts towards sustainable development have already started to have a positive impact on society.

In line with MSU's academic approach to its commitment towards sustainable development, "Dayanıqlı İnkişaf" ("Sustainable Development") journal is a multidisciplinary scientific journal established by the University in 2020. The journal aims to publish high-quality, original, and research-oriented multidisciplinary articles in the fields of economics, pedagogy, and engineering, and has been published in two volumes a year since 2021 in Azerbaijani, Turkish, Russian, and English. The journal is registered with the Ministry of Justice of the Republic of Azerbaijan and is sent to the libraries of higher education institutions in Azerbaijan and many other countries. The journal contributes to the MSU's strategic goals by providing a platform for scholars and researchers from various countries to share their research findings and knowledge, which can help to promote the University's reputation and visibility. Moreover, the journal's focus on sustainable development can help to promote sustainable practices and solutions in various fields, which is

essential for achieving global sustainability goals. Overall, the "Dayanıqlı İnkişaf" journal is a valuable resource for scholars, researchers, and policymakers interested in sustainable development and multidisciplinary research.

Furthermore, the establishment of a Sustainable Development and Regional Innovation Research Center at MSU has a positive impact on the University's sustainable development goals and benefit the wider community. By focusing on research topics aligned with sustainable development, the research center can provide valuable insights and solutions to some of the pressing issues faced by society today. Moreover, hosting conferences related to sustainable development brings together researchers, policymakers, and industry leaders, creating a platform for sharing knowledge and best practices to drive innovation and promote sustainable growth. Through its research and outreach activities, the center helps to position the University as a driver of regional development and innovation ecosystem, contributing to the creation of a sustainable and prosperous future for the University and the wider community.

Mingachevir State University has made significant strides in promoting research and innovation, as well as establishing itself as a reliable international partner in academia and sustainable development. The university hosts several national and international research conferences each year, providing a platform for scientists, academics, and researchers from different countries to exchange knowledge, ideas, and best practices in various fields, including sustainable development. One of the university's recent conferences, the Hoca Ahmed Yesevi International Scientific Research Conference, jointly organized with Turkey's Economic Development and Social Research Institute, was held in hybrid format on February 24, 2023. The conference attracted academic staff and scholars from many countries' higher education institutions and research institutes. Another notable conference, jointly organized by the Institute of Economics of Azerbaijan National Academy of Sciences and MSU, was held on May 17, 2022, with the aim of strengthening scientific cooperation. This conference featured speeches on topics such as public-private cooperation in financing the rehabilitation and reconstruction of post-conflict territories and the environmental framework of innovative economic development of Azerbaijan.

Moreover, the International Conference on "Sustainable Development Strategy: Global Trends, National Experiences, and New Goals," hosted by MSU every other year is a significant step towards achieving the university's goals of research and innovation on sustainable development and being a reliable international partner while building its reputation. The conference, supported by the Ministries of Education and Economy of the Republic of Azerbaijan, the UN Mission in Azerbaijan, the Mayor's Office of Mingachevir city, is the first international scientific conference in the history of the university. The conference focuses on the national priorities for socio-economic development of Azerbaijan by 2030 and the United Nations' Sustainable Development Goals for 2030. It covers a wide range of topics related to sustainable development, such as global trends in sustainable





development, balanced regional development, ensuring ecological sustainability, modern trends in energy sector development, and the role of innovation in post-pandemic economic recovery.

The conference provides an excellent opportunity for scientists, experts, and policymakers from different countries to share their experiences and ideas on sustainable development and contribute to creating a sustainable future for all. Overall, MSU's national and international research conferences have helped the university establish its reputation as a reliable partner in academia and sustainable development.

## Internal approach

MSU's internal approach towards sustainable development includes various measures to promote a green campus, energy and water efficiency, waste management, and accessibility for disabled individuals. The University's plans to build a new green campus embody these principles, aiming to create a welcoming and inclusive environment for all students and staff.

The new campus will be designed as an innovation hub to promote technology transfer and support the University's research activities. The campus will incorporate smart and sustainable features, such as waste management, energy efficiency, and water efficiency, to minimize its impact on the environment. The new campus will also prioritize safety, health, equity, and property, providing a safe and inclusive environment for students, staff, and the wider community.

In addition to the green features, the new campus will encourage green transportation, such as bicycle paths, promoting a healthy and active lifestyle for students, staff, and the surrounding community. MSU's commitment to creating a sustainable campus reflects its strategic goal of becoming a New Age University, offering cutting-edge education and services to its students and staff.

MSU's digitalization efforts have also greatly benefited its students and staff. The IT center provides essential technological infrastructure, including high-speed internet access, IT-equipped classrooms, and e-documentation. This

infrastructure allows for the implementation of e-learning materials, presentations, and video lessons, enabling students to access distance lessons at partner universities. MSU also provides online conferences, workshops, and webinars, as well as digital publications, offering flexible and accessible learning opportunities.

Overall, MSU's internal approach towards sustainable development and digitalization efforts align with its strategic goal of becoming a top university in Azerbaijan. The new green campus and digitalization efforts will further cement MSU's reputation as an innovative and sustainable Higher Education Institution.

## External Approach

MSU has also taken an external approach to meeting its strategic goals of sustainability and becoming a top university by prioritizing international cooperation and partnerships. For example, MSU has earned membership in the International Association of Universities (IAU) which can provide the University with a range of opportunities and resources that can help it achieve its goals and promote sustainable development. As a member of IAU, MSU can benefit from the organization's expertise and trends analysis, publications and portals, advisory services, peer-to-peer learning, events, and global advocacy. MSU can also become an active participant in IAU working groups and activities, including those focused on leadership, internationalization, sustainable development and digital transformation.

As a member of IAU, MSU can collaborate with other universities and institutions around the world to share experiences and find solutions to local problems that benefit local communities. This collaboration can help MSU develop inter-institutional collaboration in pursuit of sustainable development, as advocated by IAU in support of the 2030 Agenda for Sustainable Development. By embedding sustainable development concepts and principles in its strategic planning, academic and organizational work, MSU can contribute to the future well-being of humanity and the planet.

The election of MSU's Rector to the Administrative Board of IAU can also provide MSU with a direct voice in the main





governing unit of the Association. This position can enable MSU to influence decision-making processes and promote its goals and initiatives on a global stage. MSU can also benefit from the expertise and insights of other members of the Administrative Board, who come from diverse backgrounds and represent different regions of the world.

Overall, membership in IAU and the Rector's position in the Administrative Board can help MSU work towards its goals and promote sustainable development by providing access to resources, expertise, and opportunities for collaboration with other universities and institutions around the world. This can help MSU become a reliable international partner in promoting sustainable development and contributing to the global common good.

MSU has also achieved success in the international field by winning the "Erasmus+" project "ENGAGE," which is in line with the University's strategic goals of sustainable development and modernization. The project aims to enhance the entrepreneurial ecosystem in Azerbaijani higher education institutions, develop entrepreneurial mindsets, and promote innovation. The action plan includes fostering innovative ideas, expanding start-up activities, and promoting university-industry collaboration, which aligns with MSU's objective of becoming a catalyst for regional development and innovation. By prioritizing international cooperation and learning from leading foreign universities, MSU demonstrates its commitment to sustainable development and takes advantage of the opportunities offered by the EU's "Erasmus+" program. In addition to these achievements, MSU has established a number of international partnerships with various universities across the world, including Gazi University, Haci Bayram Veli University, KTO Karatay University, Yildiz Technical University, Gedik University (all from Türkiye), University of Valladolid (Spain), University of Siegen (Germany), Mycolas Romeris University (Lithuania), Kyrgyz Economic University (Kyrgyz Republic) and Abai University (Kazakhstan), among

others. These partnerships have resulted in a range of joint activities, including mutual visits, signing of Memorandums of Understanding (MoUs), student and staff exchange, joint conferences, seminars, and forums, as well as international and training programs.

Furthermore, MSU has established a Career and Development Center, involved visiting professors, and supported the doctoral education of young university staff abroad through these partnerships. In the future, MSU aims to establish joint research centers, conduct joint research, prepare joint scientific papers, integrate master's degree programs, implement joint projects for regional development, and create modern business incubators and startup culture through its international partnerships. These targets can help MSU become a leading institution in promoting sustainable development and innovation, while also creating opportunities for students, staff, and the wider community to benefit from global academic collaborations.

MSU's dedication to advancing global engagement and fostering intercultural dialogue can also be seen through its collaborative efforts with the Embassy of the United States of America in Baku. As part of this mission, MSU has recently become a host institution for American US Department of State exchange program participants and scholars. During the 2022-2023 academic year, the University hosted a Fulbright US Student Program English Teaching Assistant (ETA), whose role was to enhance the English language proficiency of students and staff while promoting citizen-to-citizen relations between Azerbaijan and the United States. Going forward, MSU plans to continue hosting American exchange program participants, including specialists in TESOL and other areas. Furthermore, MSU's Foreign Language Department collaborates with EducationUSA to offer a College Prep Club (CPC) for highly motivated English-speaking students who aspire to study in the USA and make meaningful contributions







to their local communities in Azerbaijan. The CPC, which is free of charge to selected students, provides pre-IELTS lessons and scholarship advising, and is organized by a local advisor with the assistance of a Fulbright ETA. Through these collaborative efforts, MSU and its partners are committed to promoting cultural exchange, enhancing language skills, and fostering closer ties between Azerbaijan and the United States.

MSU has developed partnerships with various local institutions and organizations to enhance the quality of education, promote regional development, and increase community engagement. The University has collaborated with leading national universities, including Baku State University, Azerbaijan State University of Economics, Azerbaijan Technical University, Azerbaijan State Pedagogical University, Azerbaijan State Oil and Industry University and others. Joint activities with these institutions include student and staff exchange, joint conferences and seminars, training, and involvement of professors to support doctoral education and professional development of young university staff. MSU aims to align with leading national universities to gain the best education experience, implement joint certification programs, and create new undergraduate programs.

In addition to partnerships with universities, MSU has also established collaborations with public institutions, such as the Ministry of Science and Education, the Ministry of Economy and the Ministry of Youth and Sport, the Mayor's Office of Mingachevir city, the State Tourism Agency, SOCAR and the AzerEnerji JSC, among others. Joint activities with these institutions include support for the construction of a new campus, the university's participation in regional development projects, and conducting information sessions on implemented projects. MSU's partnership with educational platforms, such as T-network, EDHUB, and Resource HUB, aims to build the capacity of academic and administrative staff, develop comprehensive skills for students, and increase the University's contribution to regional community-oriented projects.

Moreover, MSU has also established collaborations with several local industries, such as Mingachevir Industrial Park, Azerbaijan Thermal Powerplant, and HiTech Invest Company to promote employment, joint research, innovation development, curriculum development, experience, and internship programs.

MSU's partnership with traditional and social media aims to increase public accountability and transparency in university management by providing information support to events and sharing all information and news related to the University's activities.

Through its collaborations, MSU aims to achieve its goals of enhancing the quality of education, promoting regional development, and increasing community engagement.

In conclusion, MSU is taking significant steps to become a New Age University by prioritizing sustainable development and innovation. The University's main strategic goals are to be included in the top five national universities in Azerbaijan, become a driver of regional development and innovation ecosystem, and ultimately become a New Age University. With implementation of the green campus concept, MSU is not only creating a favorable environment for transforming "green" ideas and initiatives into reality, but also training specialists with a sustainable development mindset. By collaborating with local and foreign universities, becoming a reliable partner in university-industry relationships, and providing modern university environments and student life, MSU is well on its way to achieving its goals of becoming a leading higher education institution in Azerbaijan and the wider region.

#### **Biography of our guest**

**Dr. Shahin Bayramov** is appointed a Rector of Mingachevir State University (MSU), since July, 2019. Before appointment to MSU, he was a Vice-Rector for International Affairs and Programs at Azerbaijan State University of Economics (UNEC) from 2012 to 2017.

He is elected an Administrative Board Member of the International Association of Universities (IAU) as of October, 2022. Over the last years, Dr. Bayramov also held different duties within academic sector - Deputy-Director of Research and Higher Education Department at the Ministry of Education of the Republic of Azerbaijan (2017 - 2019), Azerbaijan's Coordinator at the Bologna Follow-Up Group of the European Higher Education Area (EHEA) (2017-2020), Twinning Project Country Leader on "Support to Strengthening the Higher Education System in Azerbaijan" (2018 - 2020), Expert of the Science and Education Committee of the National Assembly (Parliament) of the Republic of Azerbaijan (2006 – 2015), etc. Also, he used to be an expert in several international projects financed by UNIDO, WTO, USAID, USTDA, etc.

Dr. Bayramov completed Graduate Study in Higher Education Administration and Academic Leadership from College of Education at the Penn State University (USA, 2016). Also, completed Professional Development Programs from Zhejiang Normal University (China, 2018), Cornell University (USA, 2016), University of Warwick (UK, 2015) and Indiana University (USA, 2009).



# About Us



**The American Chamber of Commerce in Azerbaijan (AmCham Azerbaijan) is a leading private, non-profit business association supporting and promoting the interests of foreign and local businesses in Azerbaijan.**



Established in 1996, the Chamber is composed of over 260 Members and Associates active in every sector of the Azerbaijani economy. AmCham Azerbaijan represents nearly 80% of all foreign investment, as well as a significant portion of local investment, in Azerbaijan. Through its 9 industry sector committees, Members and Associates are able to share information, raise issues of common concern and propose possible solutions. AmCham Azerbaijan remains the most influential Access, Advocacy and Advisory services provider in Azerbaijan serving the improvement of the business climate in the country.

Being one of the largest and the most influential organizations in the country AmCham provides the best networking opportunities. Other membership benefits include access to the data on the latest tendencies in the market (through such information resources as Annual National Employee Salary Surveys, Quarterly Inflation Surveys, AmCham White Papers, AmCham Annual Reports, IMPACT Azerbaijan Quarterly Magazines); chance to be heard and influence (Member Companies represent themselves in committees in the areas of Tax & Customs, Banking, Finance & Insurance, Human Resources & Labor, Information & Communications Technologies, Travel,

Tourism & Hospitality, Corporate Social Responsibility, Legal & Compliance, FMCG and Procurement to make a real contribution to the future of business in Azerbaijan); Member-to-Member Discount Program offers; U.S. Business Visa Facilitation Program benefits etc.

Notably, the **delegation of AmCham had a privilege to meet with the President of Azerbaijan, H.E. Ilham Aliyev, in 2016.** Besides, the organization has established fruitful dialogue and keeps on cooperating successfully with government institutions on the highest level

# Business Events

## A Delegation of AmCham Azerbaijan Participated in the International Visitor Leadership Program (IVLP)

On **May 13 - June 3**, the delegation of AmCham Azerbaijan – Javid Akhundov from ISR Auto, Zaur Allahverdiyev from Baker Hughes, Jala Azizova from Veysalolu, Rena Tahirova from Holcim Azerbaijan, Gulnara Aslanbayli and Zaur Karimov from AmCham Azerbaijan, participated in the International Visitor Leadership Program (IVLP) of the U.S. Department of State. The program was aimed to provide valuable insights into CSR integration, legislation, advocacy and partnerships in the United States.

During the first part of the trip, the delegation of AmCham Azerbaijan, met with government representatives, businesses and non-governmental organisations (NGOs) in Washington, DC. During the meetings, participants learnt how American businesses integrate sustainable development and social responsibility into their business models, as well as long-



term approaches used by American businesses to mitigate immediate financial implications of CSR projects. A briefing on relations between the United States and Azerbaijan from the U.S. Department of State was one of the program's standout moments. The delegation of AmCham Azerbaijan thoroughly understood the bilateral relationship and discussed opportunities for cooperation on CSR initiatives between the two countries.

The program of the trade mission continued in Des Moines, Iowa, where the delegation was fully involved in regional CSR initiatives. They got to see directly how state-wide business associations and research organisations work together to promote and shape CSR practises. Participants also heard about CSR programs that promoted cooperation, fraternity and the spirit of volunteerism and service, which reflected the fundamental principles of the US.

Furthermore, during the meeting organized in Tulsa, Oklahoma, AmCham delegation learnt about CSR concerns unique to the oil and gas sector. The delegation was informed on CSR



programs that put people first and emphasise the importance of employee well-being, as well as creation of CSR brand that is consistent with company fundamental beliefs.

The program was concluded in the financial centre of the globe - New York City. AmCham delegation participated in variety of meetings with high level business representatives to discuss possibility for sustainable investments and got insightful perspectives on CSR practises within the banking sector. AmCham representatives processed their professional interactions throughout the project in a synthesis session, conceptualised the following stages for prospective networking, partnerships, and implementation, and strengthened their comprehension of CSR's real-world applications.

It should be noted that the "Developing and Sustaining Corporate Social Responsibility" project, run in partnership with AmCham, aims to support knowledge transfer and implement advocacy campaigns to promote widespread adoption of CSR practises within the Azerbaijani business community.

Upon completion of the trip, AmCham leadership got well-equipped to effectively advocate for legislative changes and promote sustainable and socially responsible business practises by utilising acquired knowledge and skills during the project. Moreover, it is important to note that when comparing operational procedures of various chambers of commerce, AmCham Azerbaijan has made significant contributions, succeeded in its goals, and prospered. Even more, the program significantly aided in acquisition of many priceless insights and US CSR and ESG best practices that can be adopted in Azerbaijan. The U.S. Department of State is committed to assist with programs of a similar nature that promote good change and ethical business conduct globally.





## ACE Annual Conference 2023

On **May 8-12**, AmCham Azerbaijan Executive Director Ms. Gulnara Aslanbayli together with the executive delegation of AmChams in Europe (ACE) actively participated in the ACE Annual Conference 2023. The primary objective of this influential event was to highlight the significance of transatlantic relations, foster stronger relationships among international counterparts, and obtain important insights into the economic and political landscape of the United States.

This year's conference held exceptional significance as ACE celebrated its remarkable 60th anniversary. To commemorate this historic milestone, ACE Executive Directors embarked on a comprehensive journey to Washington and Houston from May 8 to May 12. During the visit, they had a privilege to engage with prestigious government institutions, agencies, and administrations, amplifying the collaborative efforts between business and the public sector. The delegation was honored to



visit esteemed establishments, including the U.S. Chamber of Commerce, the Department of Commerce and State, and the Export-Import Bank (EXIM Bank), where discussions on crucial policy matters took place.

Furthermore, the ACE Executive Directors were granted an exceptional opportunity to explore the NASA Space Center, witnessing firsthand the cutting-edge advancements in space



exploration, and even had the privilege to interact with senior leaders from some of the largest U.S. firms. These engaging meetings provided a platform for sharing ideas, discussing future collaborations, and strengthening bilateral relationships. Within the framework of this highly productive visit, key policy matters were thoroughly discussed with leading stakeholders, resulting in valuable insights and recommendations to further enhance transatlantic cooperation and address emerging challenges in the global economic landscape. The ACE Annual Conference 2023 served as a cornerstone event in fostering international ties, promoting economic growth, and advancing mutual understanding among participating countries.





## 4<sup>th</sup> Conference on “Ethics and Compliance in Azerbaijan”



On **February 28**, AmCham Azerbaijan organized 4<sup>th</sup> AmCham Conference on “Ethics and Compliance in Azerbaijan”. The event was held with the support of the Platinum sponsors – BP and NEQSOL Holding.

Mr. Zaur Allahverdiyev, Vice-President of AmCham Azerbaijan, and Ms. Gulnara Aslanbayli, Executive Director of AmCham Azerbaijan, delivered opening speeches and welcomed the participants. The importance of such conferences in promoting compliance among businesses in Azerbaijan with the pertinent laws, regulations, and ethical standards, while also fostering advancing the discourse on ethics and compliance in the region was highlighted.



Thereafter, the floor was passed to Mr. Ramin Valizada, Executive Secretary of the Commission on Combating Corruption of the Republic of Azerbaijan.

Mr. Ramin Valizada welcomed the participants and acknowledged the Chamber’s ongoing efforts to enhance the business environment in Azerbaijan. Mr. Valizada talked on the strategy, programs and reforms that have been implemented to combat corruption in the country. He also emphasized the importance of the Anti-Corruption Commission’s deliberate and focused efforts in this area and highlighted the key role of the State Program on Combating Corruption in achieving positive outcomes.

The Conference highlighted two panel discussions. The first panel was “Enforcement of anticorruption laws: international and local practices and perspectives”. Moderator

of the first panel was Deputy Chairperson of AmCham Legal and Compliance Committee, Mr. Toghrul Ahmadov, Chief Legal Officer of NEQSOL Holding. The panel featured the speeches by Mr. Isfandiyar Hajiyev, Anti-Corruption Directorate with the Prosecutor General of the Republic of Azerbaijan, Ms. Ann Sultan, Miller & Chevalier Chartered, Mr. Seyfalpasha Aliyev, Judicial-Legal Council of Azerbaijan, and Ms. Rachel Cropper-Mawer, Partner at Clyde & Co. LLP. During the first panel, speakers discussed legal and institutional frameworks in Azerbaijan, global anti-corruption developments and enforcement trends, the role of the judiciary in fighting corruption, as well as insights into best practices for preventing and mitigating corruption risks.

The second panel was dedicated to the “International Sanctions: challenges and perspectives for businesses”. Moderator of the panel was Chairperson of AmCham Legal and Compliance Committee, Mr. Kamil Valiyev, Partner at Dentons. Speakers



of the second panel were Ms. Indira Dashdamirova, ITC Leader of CIS region at Baker Hughes, Mr. Vagif Ahmadov, AGT Region E&C Manager of BP, and Mr. Nurlan Babayev, Head of Supervision department at the Financial Monitoring Service. During the panel discussion, the speakers touched upon the challenges and implications of international sanctions for businesses operating in Azerbaijan. They provided insights into the best practices for navigating and complying with these sanctions, as well as the potential risks and consequences of non-compliance. The role of governmental agencies and organizations in providing support and guidance to businesses in meeting their obligations related to international sanctions was also highlighted. The panel provided valuable information and guidance to help businesses effectively manage the challenges posed by international sanctions.



## 1<sup>st</sup> CHRO Community breakfast

On **February 17**, AmCham Human Resources and Labor Committee organized 1st CHRO Community meeting in the format of the business breakfast on the topic “HR from CEO perspective”.

The guest speakers of the meeting were Ms. Inara Valiyeva, CEO at Azerbaijan Innovation and Digital Development Agency and Mr. Dayanat Sadullayev, CEO at PMD Group.



The meeting was facilitated by Mr. Ilham Hajiyeu, Founder & Managing Director at T&I Consultancy Executive Search.

Mr. Parviz Tahirov, Deputy Chairperson of HR Committee welcomed the participants with an opening speech, gave brief foreword of the session and introduced the guest speakers.

The event was followed by the discussions on the value and role of HR in supporting the company strategy, as well as ways to develop right talent resources to be aligned with the company goals.

# Training

## Training For Lawyers and Advocates

On **April 12**, AmCham Legal and Compliance Committee jointly with the Business Law Committee of the Bar Association of the Republic of Azerbaijan and the Antimonopoly and Consumer Markets Control State Service under the Ministry of Economy of the Republic of Azerbaijan organized a half day training for lawyers and advocates on “Competition Law in Azerbaijan: Practical Issues”.

The invited guest speakers of the training were representatives of the Antimonopoly and Consumer Market Control State Service, Mr. Jafar Babayev, Mr. Fuad Yadigarov, Mr. Khamis Seyranov and Mr. Shahin Naghiyev.

During the training, a comprehensive overview was provided regarding the contemporary undertakings of the State Service in the realm of antitrust and competition. In addition, the legal ramifications of the determinations rendered in connection to the cases under review were discussed, along with the current gaps and advances in this domain.

Throughout the event, the representatives of the State Service apprised the participants on a multitude of matters, including antitrust regulation, governmental oversight of natural monopolies, legislation related to unfair competition



and advertising, and related statutes. Moreover, the attendees engaged in discussions that pertained to the current operations of the State Service in these areas, the legal implications of the resolutions reached in regard to the reviewed cases and judicial precedents.



# Amcham Members' Luncheon

On **May 11**, AmCham Azerbaijan hosted Members' May Luncheon with honourable guest speaker - **Mr. Taleh Kazimov**, the Governor of the Central Bank of the Republic of Azerbaijan (CBA).



Opening the luncheon, Operations Director of AmCham Azerbaijan, Mr. Zaur Karimov welcomed the participants and briefed on the upcoming projects and events of the Chamber. Ms. Nargiz Nasrullayeva-Muduroglu, the President of AmCham Azerbaijan, extended a heartfelt welcome to the honourable guest speaker of the Luncheon and expressed her gratitude for his collaboration. She highlighted the ongoing endeavours of AmCham Azerbaijan in fostering the interests of local and international businesses in Azerbaijan. Ms. President also emphasized the Chamber's enduring



commitment to maintaining constructive discussions and cooperation with the Central Bank of Azerbaijan across various areas of common interests.

Mr. Governor warmly welcomed all event participants and expressed his gratitude to the Chamber for providing a great opportunity to engage in productive discussion with the business community. He briefed about the current trends in macroeconomic environment and financial sector of the country, highlighting the critical role of the banking system in facilitating economic growth. Also, he emphasized that the ongoing new generational reforms and macroeconomic policies have contributed to the achievement of macroeconomic and financial stability in the country that ensure a sustainable growth in the long run.

Mr. Kazimov also discussed the key efforts to further strengthen the leading role of the financial system in promoting financial inclusion and access in Azerbaijan. He expressed the need for the financial sector to improve its readiness to tackle new challenges in global financial landscape. At the end, Mr. Governor discussed new objectives of the Central Bank aiming at enhancing the contribution of the financial sector to the development of the national economy in the future.



Afterwards, AmCham Banking, Finance & Insurance committee's chairperson, Mr. Jeyhun Mammadbayli gave a brief information on the forthcoming plans and activities of the committee. He also highlighted that the Chamber attaches significant value to the collaboration with CBAR and further strengthening of these ties.

Thereafter, presentations on company portfolio and activities were delivered by ARAL Group, Unicapital and Legalize.



On **April 4**, AmCham Azerbaijan hosted Members' April Luncheon with honorable guest speaker, **Mr. Arun Venkataraman**, Assistant Secretary of Commerce for Global Markets and Director General of the U.S. and Foreign Commercial Service.



The luncheon also featured organization of bilateral meetings with U.S. businesses interested in supporting the advancement of Azerbaijan's renewable energy ecosystem. Opening the event, Executive Director of AmCham Azerbaijan, Ms. Gulnara Aslanbayli welcomed the participants and briefed on the upcoming projects and events of the Chamber. Ms. Nargiz Nasrullayeva-Muduroglu, President of AmCham Azerbaijan, warmly welcomed the distinguished guest



speaker of the Luncheon and expressed her appreciation for his partnership. She highlighted AmCham Azerbaijan's continued efforts to support and advance the interests of both foreign and local businesses in Azerbaijan. Ms. President emphasized the Chamber's long-standing commitment to continue productive dialogue and cooperation with the government and businesses in all areas of common interest to expand the scope of U.S.-Azerbaijan bilateral relationship. The Assistant Secretary, Mr. Venkataraman extended a warm welcome to all event attendees and expressed gratitude to the Chamber for the opportunity to engage with the business community. He emphasized the significance of such events in enabling U.S. companies interested in green opportunities in Azerbaijan to meet with business representatives directly. Additionally, Mr. Venkataraman highlighted the Department of Commerce and the U.S. private sector's commitment to supporting Azerbaijan in achieving its clean energy targets. He acknowledged the United States' commitment to collaborate with Azerbaijan on green energy and reducing emissions in high-carbon sectors. Mr. Venkataraman also mentioned that the current US administration has launched a coordinated, comprehensive approach to tackling climate change.



Thereafter, presentations on company portfolio and activities were delivered by Altec, Borusan Cat, Cerberus, Hill International, SELECT Power Systems, Solar Tyme USA, UGT Renewables.

During the presentations, company representatives expressed their readiness to share U.S. technical and financial expertise with local businesses to foster Azerbaijan's strong renewable energy potential, including solar and wind resources.

The second part of the event continued with organization of bilateral meeting between the US companies and over 30 AmCham members. During the meetings, parties deliberated on ways to expand trade and investment between the United States and Azerbaijan. They also gained insights on companies' operations, spotlighted commercial collaborations and partnerships, and shared their experiences regarding the local business environment.

On **March 14**, AmCham Azerbaijan organized Members' March Luncheon with honorable guest speaker **Mr. Orkhan Nazarli**, Head of the State Tax Service under the Ministry of Economy of the Republic of Azerbaijan.



The Luncheon was organized with the generous sponsorship of PASHA Property Management LLC.

Opening the event, Executive Director of AmCham Azerbaijan, Ms. Gulnara Aslanbayli welcomed the participants. Ms. Aslanbayli briefly touched upon the projects implemented within the strategic goals of the Chamber, as well as talked on the upcoming plans and events.

Ms. Nargiz Nasrullayeva-Muduroglu, President of AmCham Azerbaijan, warmly welcomed the distinguished guest speaker at the Luncheon and thanked him for his role in continuous and productive cooperation between the Chamber and the State Tax Service. She highlighted AmCham Azerbaijan's continues efforts to support and advance the interests of both foreign and local businesses in Azerbaijan. Ms. Nasrullayeva-Muduroglu also emphasised the organization's long-standing commitment to this goal and importance of its productive dialogue and cooperation with the State Tax Service towards achieving it.



Head of State Tax Service, Mr. Orkhan Nazarli thanked the participants of the Luncheon and noted that the relations between the STS and AmCham Azerbaijan uniting hundreds of foreign and local businesses, are based on the principles of effective partnership. It was noted that the STS attaches great importance to improving tax policy and tax administration, providing new services to taxpayers, holding various discussions with public organizations of entrepreneurs to further improve the business environment. Mr. Nazarli noted that such meetings play an exceptional role in developing partnerships between tax authorities and business structures and further increasing the level of taxpayers' compliance with tax legislation. Mr. Nazarli also emphasized that the STS is interested in building partnerships with businesses in the process of improving tax legislation in order to create a favorable investment climate that will ensure sustainable economic growth in the country. He also informed the participants about the main directions of tax policy, trends in the field of tax legislation and administration in the upcoming periods.



The presentation was followed by an interactive Q&A session, where suggestions and opinions of business representatives were considered, and all questions were addressed by Mr. Orkhan Nazarli.

The event continued with presentations of member companies. First presentation was delivered by the sponsor of the event, PASHA Property Management. Chief Commercial Officer of PASHA Property Management, Mr. Elchin Gadimov provided comprehensive information on main goals and values, as well as current activities and impending projects of the company. Thereafter, member presentations on portfolio and activity direction of the company were delivered by European Azerbaijan School.

Afterwards, AmCham Tax & Customs committee chairperson, Ms. Narmin Aslanova gave a brief information on upcoming plans and activities of the committee. She also highlighted that the Chamber attaches significant value to the collaboration with the STS and further strengthening of these ties.



On **February 15**, AmCham Azerbaijan hosted Members' February Luncheon with honorable guest speaker **Mr. Shahin Baghirov**, Chairman of the State Customs Committee of the Republic of Azerbaijan.



The event started with a minute of silence to commemorate the victims of the massive earthquake in the Republic of Turkey.

Opening the luncheon, Executive Director of AmCham Azerbaijan, Ms. Gulnara Aslanbayli welcomed the participants and briefly touched upon the projects implemented within the strategic goals of the Chamber, as well as talked about the upcoming plans and events. She also informed the audience on the start of the drafting of White Paper 2023 and called all members to be actively involved in the preparation process. President of AmCham Azerbaijan, Ms. Nargiz Nasrullayeva-Muduroglu introduced the honorable guest speaker, Chairman Mr. Shahin Baghirov and expressed her congratulations for his recent appointment. Ms. President also emphasized



sustained activity of AmCham Azerbaijan on continuing supporting and promoting the interests of foreign and local businesses in Azerbaijan, as well as significance of the established fruitful dialogue and successful cooperation with the State Customs Committee in this direction.

The Chairman of the State Customs Committee, the lieutenant general of the customs service, Mr. Shahin Bagirov noted that he attaches special importance to the establishment of relations with business representatives, as well as open and transparent dialogue in customs-business cooperation, and emphasized that necessary steps have been taken to increase the efficiency of mutual relations. It was also mentioned that one of the main goals defined for the customs service is to create productive conditions for business subjects in the customs field, to study and implement their suggestions and opinions regarding the adopted decisions and applied innovations.

For this purpose, it has been brought to attention that the action plan has been prepared by the customs authorities in



recent period, and the implementation of innovative projects based on digital solutions has been started to increase the rationality, transparency, and accessibility of the procedures, to implement the customs operations in an easy and fast manner. The chairman also delivered an information on the mission of the customs authorities, the priority directions of future activities, strategic goals, and the projects, innovations, and benefits for businesses.

Afterwards, AmCham Tax & Customs committee chairperson Ms. Narmin Aslanova gave a brief information on upcoming plans and activities of the committee. She also highlighted that the Chamber attaches significant value to the collaboration with the committee and further strengthening of ties among customs authorities.

Associate professor at ADA University Mr. Anar Valiyev delivered a presentation on results of the research project on "Factors affecting Education-Labour market mismatch in Azerbaijan and finding sustainable solutions for employers" jointly implemented with the Chamber.

Thereafter, member presentations on portfolio and activity direction of the companies were delivered by Grand Logistic Center and ISR Auto.



# Committee Highlights

## Tax and Customs Committee Meetings



On **May 25**, AmCham Tax and Customs Committee held monthly meeting dedicated to “Improvements in Customs Assessment and Modernization of the customs system”. Guest speakers of the meeting were Mr. Ulvi Mammadov, Head of the Privileges Regulation Department, Mr. Tariyel Alverdiyev, Head of Customs Payments Department and other representatives of various structural divisions of the State Customs Committee of The Republic of Azerbaijan. Mr. Ulvi Mammadov delivered an opening speech and briefly summarized the activities of The State Customs Committee. Afterwards, Mr. Tariyel Alverdiyev delivered detailed presentation on the customs value and innovations and advanced international practices implemented in this direction. Mr. Alverdiyev also touched upon the recent updates and improvements in “E-Customs”.

On **April 6**, AmCham Tax and Customs Committee held monthly meeting dedicated to “Organization of tax ombudsman’s function”. Guest speaker of the meeting was Mr. Arif Guliyev Head of Tax Ombudsman Office of State Tax Service.



During the presentation Mr. Guliyev delivered a comprehensive presentation on structure, regulations and mission of the Tax Ombudsman. He briefly talked on current activities and future plans of Ombudsman office.

On **February 22**, AmCham Tax and Customs Committee held monthly meeting dedicated to “Benefits of Electronic Account Page”, introduced by the State Customs Committee of the Republic of Azerbaijan.

The invited guest speakers of the meeting were representatives of various structural divisions of the State Customs Committee: Mr. Tariyel Alverdiyev, Head of Customs Payments Department; Mr. Ulvi Mammadov, Head of the Privileges Regulation Department; Mr. Kazim Samadov, Head of Digital Customs Administration Department; Mr. Vugar



Ibrahimli, Deputy Head of the Audit Department; Mr. Fuad Asadov, Head of the Analysis Department of the Classification of Privileged Goods; Mr. Faig Orujov, Head of the Department for Supervision of Exemptions from Customs Fees; and Mr. Vidadi Jafaraliyev, Head of the Customs Entries Department. Mr. Tariyel Alverdiyev delivered a comprehensive presentation on strategic goals of customs service and highlighted the innovations applied on the “Electronic account page” service platform. During the meeting, the rules of using the “Electronic account page” service and its benefits were also explained.

## Human Resources and Labor Committee Meetings

On **May 16**, AmCham Human Resources and Labor Committee organized a Legal session.

Guest speakers of the session were Ms. Shabnam Sadig, Senior Legal Consultant at Deloitte Azerbaijan; Mr. Mayis Aliyev, Member of the Bar Association of the Republic of Azerbaijan, and Ms. Gulnar Zulfugarova, Senior Legal Consultant at PwC Azerbaijan.

The main purpose of this meeting was to bring AmCham



members together and have broader discussions around White Paper recommendations. At the start of the meeting, Mr. Parviz Tahirov, Deputy Chairperson of HR Committee commenced the meeting by delivering an opening speech, providing a brief overview of the session, and introducing the guest speakers.

The participants actively participated in discussion of each recommendation, sharing their valuable insights. The working group is scheduled to submit the final set of recommendations to AmCham Azerbaijan by the end of May. These recommendations will be presented to the Government of Azerbaijan, along with other relevant sections.

In conclusion, Mr. Tahirov expressed his gratitude to the participants for their active involvement and valuable contributions. He emphasized that all recommendations would undergo a thorough review for further consideration.

On **April 14**, AmCham Human Resources and Labor Committee organized a workshop dedicated to the topic “Vocational education in Azerbaijan”.

Guest speakers of the meeting were Ms. Chinara Guliyeva, Private Sector Associate at UNDP Azerbaijan, Mr. Elshad Maharov, State Employment Agency and Ms. Samira Guliyeva, Head of Unit at Education Quality Assurance Agency. The meeting was facilitated by Mr. Emin Aghayev, CEO at “KVET Lifelong Education Center” LLC.

Mr. Parviz Tahirov, Deputy Chairperson of Human Resources and Labor Committee welcomed the participants with an



opening speech, gave brief foreword of the workshop and introduced the guest speakers.

In the first part of the meeting, Mr. Emin Aghayev delivered a highly informative and insightful presentation on critical role that vocational education plays in addressing unemployment and enhancing workforce development. Mr. Aghayev highlighted the primary reasons behind unemployment and the factors that contribute to the failure of the school-to-work transition.

The presentation was followed by an interactive workshop, where participants were divided into small groups to discuss the potential reasons behind the difficulties faced during the transition from vocational school to work.

In the second part of the meeting, Ms. Chinara Guliyeva shared with the audience “VET for the Future: Development of VET Providers’ Excellence in Azerbaijan” project. Afterwards, Mr. Elshad Maharov and Ms. Samira Guliyeva provided a detailed overview of the current activities, projects and future plans of the Agency in the field of vocational education and workforce development. Their presentation highlighted the agency’s commitment to promoting high-quality vocational education programs that meet the needs of both job seekers and employers.

On **March 29**, AmCham Human Resources and Labor Committee organized a session dedicated to the topic “Approach to work with young generation”



Guest speakers of the session were Ms. Irana Ahmedova, Head of the HR and Workforce department at Baku City Circuit Operations Company, Ms. Nigar Arpadarai, Member of Parliament at Milli Majlis and Ms. Inara Valiyeva CEO at Azerbaijan Innovation and Digital Development Agency.

The meeting was facilitated by Mr. Parviz Tahirov, Deputy Chairperson of HR Committee.

In the first part of the meeting, guest speakers shared with the audience views and perspectives on various approaches in working with young generation. They noted that working with young generation requires a flexible and adaptive approach that considers their unique needs and preferences. Also, it was emphasized that by creating a supportive and inclusive



environment, encouraging creativity and independent thinking, providing regular feedback and guidance, using technology to connect and engage can be built with young people and help them develop the skills they need to succeed.

Later, Baku City Circuit volunteers shared their personal experiences in career growth and development.

## Banking, Finance & Insurance (BFI) Committee Meetings

On **May 31**, AmCham Banking, Finance and Insurance committee held its monthly meeting dedicated to the drafting recommendations for the White Paper 2023 related to the banking sector.



Chairperson of AmCham BFI Committee Mr. Jeyhun Mammadbayli opened the meeting by welcoming all the participants and providing a brief overview of the discussion agenda. He passed the floor to Ms. Gunay Jalilova, Deputy Chairperson of BFI Committee.

During the meeting, the members of AmCham actively participated in the discussions on each recommendation, making noteworthy contributions by offering valuable insights and perspectives. These comprehensive recommendations, alongside other pertinent sections, will be subsequently compiled and presented to the Government of Azerbaijan for consideration.

In conclusion, Ms. Jalilova expressed her gratitude to the participants for their active involvement and valuable contributions.

On **May 24**, AmCham Banking, Finance and Insurance committee held its online monthly meeting dedicated to the AmCham White Paper 2023.

Chairperson of AmCham BFI Committee Mr. Jeyhun Mammadbayli opened the meeting by welcoming all participants and providing a brief overview of the discussion agenda.

The committee has set a timeline to finalize the recommendations and plans to submit AmCham Azerbaijan by the end of May. These comprehensive recommendations, along with other pertinent sections, will then be presented to the Government of Azerbaijan.

In conclusion, Mr. Mammadbayli expressed gratitude to the participants for their active involvement and valuable contributions. He emphasized that all recommendations would undergo a thorough review for further consideration.

On **April 11**, AmCham Banking, Finance and Insurance Committee organized a session dedicated to the topic “Capital Markets: Investment Services and Opportunities in Azerbaijan.”

The meeting was facilitated by Mr. Nazim Hajiyev, Deputy Chairperson of AmCham BFI Committee.

The first guest speaker of the meeting was Mr. Vugar Namazov, CEO of Unicapital Investment Company. Mr. Namazov provided an illuminating overview of “Introduction to Capital Market Services in Azerbaijan.” He highlighted various investment services offered in both local and foreign markets, as well as development of local capital markets, which have catalyzed by the latest trends in the banking sector.

The second speaker of the meeting was Mr. Farid Abbaszade, Senior Specialist, Business Development Group at Baku Stock Exchange. Mr. Abbaszade delivered an insightful presentation on “Local Markets Instruments and Opportunities,” providing a comprehensive overview of the investment opportunities available in Azerbaijan’s local markets, as well as the total trade turnover on the Baku Stock Exchange.

Later, Mr. Tofiq Hasanov, Head of Electronic Brokerage at Unicapital Investment Company talked on “How to access global stock markets and crypto assets with local brokerage account”, providing attendees with an in-depth understanding



of financial markets and the available options for accessing global markets and investing in crypto assets.

## Human Resources & Labor And Sustainable Development & Corporate Impact Committees’ Joint Session

On **February 23**, AmCham Azerbaijan organized Human Resources & Labor and Sustainable Development & Corporate Impact (SDCI) Committees’ joint meeting to discuss the issues, related to employment of people with special needs.





The meeting was opened with the welcome speech of Mr. Jeyhun Atayev, Deputy Chairperson of SDCI and Mr. Parviz Tahirov, Deputy Chairperson of Human Resources & Labor Committees, who introduced the guest speakers to all participants and announced the agenda of the meeting. Afterwards, the first guest speaker, Ms. Aydan Aliyeva, Event Manager of Caspian Event Organizers and ITECA Caspian shared background an upcoming activities of “Fərqli Fərdlər” project for people with special needs. Ms. Aliyeva’s speech was followed by presentation of Mr. Alexey Voskov on Employment of people with autism spectrum disorder. Later Ms. Gulcan Boyraz talked about her experience in providing university graduates with special needs with the employment opportunities.

## Procurement Committee Meeting

On **March 7**, AmCham Procurement Committee hosted its monthly meeting. The meeting was dedicated to “Modern approaches to public procurement” topic. The guest speakers of the meeting were representatives of Antimonopoly and Consumer Market Control State Service, Mr. Ahmad Hasanov, Head of the Public Procurement Department and Mr. Elshan Hasanov, Deputy Head of the Public Procurement Department.

Firstly, Mr. Ahmad Hasanov expressed his gratitude to AmCham Azerbaijan and participants of the meeting. Mr.



Hasanov delivered a comprehensive presentation on the main changes and innovations in the public procurement. During the presentation, he shared with the audience the statistical information on competitive state purchases happened in 2022.

In the second part of the meeting, participants were engaged in a fruitful discussion on the above-mentioned issues, as well as shared common concerns.

## Sustainable Development and Corporate Impact Committee Meeting

On **March 10**, AmCham Sustainable Development and Corporate Impact (SD&CI) Committee held its monthly meeting dedicated to the “Role of Corporate citizens in



resettlement of Karabakh” and invited AmCham member companies, as well as representatives of non-profit organizations and state agencies to discuss various aspects of resettlement of Karabakh. The objective of the meeting was to brief the audience about the current situation, activities and mechanism exercised by the state authorities and discuss potential risks for failure of the process.

The invited guest speakers of the meeting were Aybaniz Ismayilova, Government and Public Relations Director at the GL LTD and Nazrin Baghirova, Non-Resident Research Fellow at the Institute for Development and Diplomacy (IDD) of ADA University.

Mrs. Aybaniz Ismayilova and Nazrin Baghirova shared with the audience the presentations on their findings and observations on the issues of women economic empowerment in Aghali village of Zangilan district. The speakers discussed the important role of women clubs, women farmer’s associations and accessing training programs play in women economic empowerment process.

The main topic of the meeting was followed by the presentation of the following social projects:

- All Bodies Speak– the project, which aims to dissolve barriers and create social engagement opportunities between people without and with limitations. It was presented by Nigar Sultanova, Social entrepreneur and founder of DanceAbility Azerbaijan Inclusive Company;
- CSR related activities of Baku City Circuit (Formula

1) – the project in the framework of which Baku City Circuit Operations Company (BCC) actively engages in activities around Formula 1's Net Zero Carbon initiative by 2030 and aims to protect the environment and minimize external aggressors, promote recycling, and environmental initiatives in motorsport. The project was presented by Turab Teymurov, Head of Communications and National Press Officer at BCC.

## Legal & Compliance Committee Meeting

On **May 26**, AmCham Legal & Compliance committee held its monthly meeting dedicated to the AmCham White Paper 2023.

During the meeting, AmCham members displayed a commendable level of engagement, actively participating in the discussion of each recommendation and offering insightful perspectives. These comprehensive recommendations, alongside other pertinent sections, will subsequently be presented to the Government of Azerbaijan.

To conclude, Mr. Kamil expressed his heartfelt appreciation to all the participants for their active involvement and valuable contributions. He emphasized that every recommendation would undergo a thorough review before being considered further.



recommendations for MCBD section of the Paper that focused on education, international rankings, ethical self-regulation, national research, advertisement, healthy competition, media, reputation and brand positioning by Ms. Suleymanova and Deputy Chairpersons Mr. Turkhan Ahmadov and Tatiana Ravalli. The working group will submit the final package of recommendations to AmCham Azerbaijan by the end of May and they will be introduced to the Government of Azerbaijan along with other related sections.



On **March 16**, AmCham Marketing, Communications, and Business Development (MCBD) Working Group (WG) held its monthly meeting with honorable guest speaker Mr. Rashad Bayramov, Advisor to the Minister of Digital Development and Transport of the Republic of Azerbaijan.

At the start of the meeting, the Chairperson of the MCB Working Group, Ms. Aysel Suleymanova, welcomed all the participants, introduced the guest speaker, and provided a brief introduction to the event. During her speech, Ms. Suleymanova highlighted the strategic roadmap for the working group in the upcoming years of 2023/24. She emphasized that AmCham's MCB Working Group's 2023-2024 Roadmap is centered around a transformative approach and value proposition for key stakeholders, such as the government, C-suite, and MCB community. The WG aims to create change and enhance its value proposition to better serve these stakeholders.

The event continued with a discussion between Ms. Suleymanova and Mr. Rashad Bayramov about the future of communications and the potential transformational changes in both private and public sectors in Azerbaijan. They delved into topics, such as the impact of emerging technologies on communication strategies, the need for digital transformation in the private and public sectors, and the role of the government in facilitating innovation and growth. During the discussion, Mr. Bayramov shared his perspectives on the topic discussed, as well as addressed the challenges and opportunities facing the communications industry and the business landscape in Azerbaijan.

## Marketing and Communications Working Group's Sessions

On **May 5**, AmCham Marketing, Communications, and Business Development (MCBD) Working Group (WG) held its monthly meeting dedicated to the AmCham White Paper 2023.

The main purpose of this meeting was to bring AmCham Members together and have broader discussions around White Paper recommendations. At the start of the meeting, the Chairperson of the MCB Working Group, Ms. Aysel Suleymanova, welcomed all participants and provided a brief introduction to the event.

The meeting continued with a presentation on



# Member News

## Azerbaijani Capital hosts the Prestigious Baku Energy Week

The opening ceremony of the Baku Energy Week, the most prestigious event of the Caspian region, has been held on May 31 at Baku Expo Center.

The President of the Republic of Azerbaijan H.E. Ilham Aliyev spoke at the opening ceremony.

Later, Geoffrey Ross Pyatt, Assistant Secretary of State for Energy Resources, read the letter of the President of the United States of America, Joseph Biden, while Baroness Emma Nicholson, UK Prime Minister's Trade Envoy to Azerbaijan, read the letter by UK Prime Minister Rishi Sunak. Afterwards, Ms. Cristina Lobillo Borrero, director of energy policy strategy and coordination of the European Commission, spoke at the Opening Ceremony.

Following the speeches, the participants and guests of the event took part in the VIP tour.

President Ilham Aliyev signed the guest book of the Exhibition. Commemorative gifts were presented to the head of the state. Between 31 May and 3 June, Azerbaijan hosted Baku Energy Week, combining three prestigious events under one name. The 28<sup>th</sup> International Caspian Oil & Gas Exhibition (Caspian Oil & Gas), the 11<sup>th</sup> Caspian International Power and Green

Energy Exhibition (Caspian Power) and the 28<sup>th</sup> Baku Energy Forum were held in the framework of the Baku Energy Week. The Baku Energy Week is traditionally held with the support of the Ministry of Energy and the State Oil Company of Azerbaijan Republic (SOCAR).

More than 330 companies from 38 countries participated at Baku Energy Week. In addition to Azerbaijan, the United States, Germany, Austria, Belarus, the United Arab Emirates, Bulgaria, the United Kingdom, China, Algeria, the Philippines, Finland, France, Georgia, Spain, Israel, Japan, Sweden, Switzerland, Italy, Canada, Kuwait, Kazakhstan, Hungary, Monaco, the Netherlands, Norway, Uzbekistan, Romania, the Russian Federation, Serbia, Saudi Arabia, Singapore, Thailand, Turkey, and Vietnam were represented at the event. Caspian Oil & Gas and Caspian Power took place at Baku Expo Center, while the Baku Energy Forum was hosted by the Baku Convention Center, built in an ecological concept.

This was Heydar Aliyev, the National Leader of the Azerbaijani nation, the founder of the independent Azerbaijani state, and an outstanding politician and statesman, who pioneered the idea of organizing international exhibitions on Azerbaijan's land. He heavily backed those events in 1994, when they were held in our country for the very first time. This year, we celebrate the 100<sup>th</sup> jubilee of National Leader Heydar Aliyev. This significant occasion was reflected in the programs of all the exhibitions on the schedule. The organizers and participants of the Baku Energy Week never forget the role of national leader Heydar Aliyev in shaping Azerbaijan's exhibition industry and honor his memory with deep respect.







For this purpose, a postage stamp dedicated to the 100<sup>th</sup> anniversary of great leader Heydar Aliyev was issued as part of the Baku Energy Week. The event also includes a stand dedicated to the 100<sup>th</sup> anniversary of Heydar Aliyev.

Traditionally, high-ranking guests attended the Baku Energy Week this year.

It is no coincidence that the event gathered companies, high-ranking guests, statesmen, and international experts in the field of energy from many countries in Baku. For several years now, the capital of Azerbaijan has become a place where prestigious events are organized and important decisions and cooperation are discussed. Moreover, as a result of Azerbaijan's successful energy policy, our country has already made significant achievements in the energy sector. Today, Azerbaijan plays an important role in ensuring its energy security as well as that of other countries.

The reputation and high status of Baku Energy Week were also confirmed by the expanding list of sponsors. With SOCAR as the main sponsor of Baku Energy Week, the event was supported by sponsors such as Abu Dhabi Port, ACWA Power, Ansaldo Energia, AZEL SYSTEMS, Azeri M-I Drilling Fluids, AZFEN, Baku Steel Company, bp, Caspian Drilling Company, Caspian Marine Services, Equinor, EP Absheron, Intertek, Global Energy Azerbaijan, GL, Inpex, KOLIN Construction, MASDAR, Tekfen, Total Energies, Turkish Petroleum, Uniper, and Ural Steel. Boston Consulting Group was an intellectual partner of the Baku Energy Forum. Representing the BMW brand, Improtex Motors presented a new electric car model at the forum.

The "Caspian Oil & Gas" exhibition has become a platform for significant cooperation in the oil, gas, and energy sector for 27 years. Azerbaijani President H.E. Ilham Aliyev's annual participation at the opening ceremony of the exhibition is yet another proof of its high status. It has been many years that heads of states, namely the USA, UK, Türkiye, etc. have

issued their welcome addresses on the occasion of this event. Traditionally, Baku Energy Week is attended by high-ranking guests.

The exhibition features discussions of Caspian region-wide petroleum projects and regional energy security issues. The main topics of the exhibition included oil & gas field development, oil & gas production and transportation, pipeline safety systems, refining and gas processing, construction and installation operations in the energy sector, innovative technologies, financial and legal services, chemical industry, etc.

The Caspian International Power and Green Energy Exhibition Caspian Power took place in parallel to the Caspian Oil & Gas. Its program encompassed innovations and respective offers from both international and local companies in the fields of the power industry and renewable energy development and utilization. Discussed issues as part of the event were solar, wind, geothermal, thermal, and nuclear power, machine-building and power equipment, electric vehicles, energy, resource-saving technology, etc. Several events were held within the framework of the exhibition.

The spring exhibition season was concluded with the Baku Energy Forum. This event hosted the discussion of energy matters of importance for both Azerbaijan and the broader Caspian region. With over 600 attendees, the discussion revolves around such topics as new challenges in the transition period, including global energy security and the role of Azerbaijan's energy sector in European energy security and balance, etc. The round table dedicated to scenarios of the new energy order were reviewing the following topics: the global energy transition process, ways to facilitate it in conditions of energy crisis, etc. Also, the focus was on Caspian renewable energy sources and their potential, possibilities of use, development of renewable energy infrastructure, and delivery of green energy projects.



Another important discussion topic at the Baku Energy Forum were the net zero emission, Zero Waste program, which aims at precluding waste generation. This very principle was implemented at the forum for the first time: printed materials are replaced with electronic media as much as possible, with the foodstuff optimal use principle implemented under the international Zero Food Waste initiative.

It worth to note that organizers of the event closely collaborated with the Baku Convention Center - the largest ultra-modern platform in the Caucasus, which was a host to numerous events at the highest international level. It was built in an ecological concept with centrally installed solar panels save on energy usage costs.

Baku Energy Week serves as a platform for the development of important partnerships. New cooperation documents were signed during the event this year. Thus, on the third day of the event, the Baku Congress Center hosted the signing of a memorandum of cooperation between Azerbaijan Center for Analysis and Coordination of the Fourth Industrial Revolution (4SIM), Caspian Event Organisers, and Iteca Caspian.

Traditionally, bilateral business meetings (B2B) were held during the exhibitions. Representatives of local and foreign companies were able to discuss ways of cooperation and future partnerships in a one-on-one format.

Caspian Oil & Gas also included several sessions and panel discussions. During the exhibition, discussion panels on "Innovations in the Field of Digitalization and Automation in the Oil and gas industry," "Back to the Future: operation, restoration, and rehabilitation of old wells," "New Oil and gas drilling techniques," "Opportunities for small and medium businesses to supply oil and gas companies," and a "Women in Power" were organized. KOLIN Construction was the sponsor of the presentation zone, where the session and panel discussions were held.

In addition, the startup "Econotes" by MiniBoss students were presented at the Baku Energy Forum. The idea of the startup consists of a pen with a head shaped like a seed. The children, who are the founders of the startup, said that "Econotes" is a pen made of environmentally friendly materials in Azerbaijan. "After the pods with seeds attached to the head shrink to the size of the pen, they should be planted in a pot to sprout." This pen were given as a gift to the representatives attending the forum.

Within the framework of the Baku Energy Week, the Azerbaijani city of Nakhchivan hosted a session devoted to important issues. Holding a special session in the city of Nakhchivan was not a coincidence. Within the framework of the "Year of Heydar Aliyev," the session dedicated to the 100th anniversary of the Great Leader marked the historical significance of the city. In addition, at the state level, it is planned to turn Nakhchivan into a green energy zone. The President of the country H.E. Ilham Aliyev has lately stated that there is great potential for the construction of a hydroelectric power plant in Nakhchivan, and it is expected that in the near future, some steps will be taken in connection with the construction of a solar power plant. In this regard, the organization of a session on "Renewable Energy Potential of Nakhchivan and Eastern Zangezur" is of great importance. In addition to the panel discussions, the session will include a cultural program such as a tour of the city of Nakhchivan and a concert program.

The event was organized by Iteca Caspian and Caspian Event Organisers with ICA Events and CEM FZ LLC as their international partners.





## “Caspian Digitalization Summit” on Innovative “Digital Twin” Technology



A “Caspian Digitalization Summit” on innovative “Digital Twin” technology was held at “Hilton” hotel in Baku on April 12, 2022. The Summit was hosted jointly by “AZEL Systems” company - Azerbaijan’s leading system integrator, and “Hexagon” (USA-Sweden Holding) - a global leader in engineering software and digital twin technologies to design, construct and operate plants, ships and offshore facilities.

Opening the event General Director of “AZEL Systems” company, Igor Yakovenko, informed the participants that for the past 10 years “AZEL Systems” has been the only partner of “Hexagon” in Azerbaijan and that together companies have successfully completed several projects in Azerbaijan. Yakovenko also briefly focused on the benefits of the Digital Twin technology, including cost optimization, risk reduction and improved data quality. In the end of his speech he noted about completion of the successful implementation of Hexagon Engineering Management technologies in SOCAR, which is the basis for Future Digital Twin technologies in Azerbaijan.

Speaking next, the Regional Manager of “Hexagon” Shamil Fayzrakhmanov explained the Hexagon view on digital twins and being the key to digital transformation initiatives and provide support for projects and for operations of industry facilities. Fayzrakhmanov noted that Azerbaijan also has

a very good base for beginning the process of digital twin technologies implementation. In particular, the successful use of “Hexagon” technology by a number of Azerbaijani companies was discussed.

Hexagon provides solutions that can support the green energy sector in various ways. Hexagon software offerings can be utilized in the planning, management, and optimization of green energy projects. Hexagon software can be valuable for green energy applications and can assist in site selection and assessment for renewable energy projects. It helps to identify suitable locations for solar or wind energy installations. Hexagon solutions can be relevant for managing renewable energy distribution networks. It offers tools for asset management, network planning, outage management, and geospatial analysis, which are crucial for integrating green energy sources into existing utility infrastructure and ensuring reliable energy distribution.

The representatives from different departments of “Hexagon” technical specialists also spoke during the conference:

- Kyle Pearce – spoke about the benefits of the Digital Transformation for Process Industry; PAS solution as an Alarm Management System;
- Kseniya Chapkovskaya – spoke on Hexagon EcoSys for CAPEX investment planning, controlling and budgeting;
- Linas Gabrielaitis – spoke about Hexagon software for industrial engineering and BIM.

At the end of the conference a panel discussion was held with participation of Igor Yakovenko, Shamil Fayzrakhmanov, Kyle Pearce and other guests. They discussed wide range of questions and agreed that implementation of innovative solutions, such as “Digital Twins” is an important goal for Azerbaijan and that this process should be done only with the use of licensed software.



# New appointments

## Promotions at P&G Turkiye and Azerbaijan

**Değer Kurtaslanoğlu, currently Senior Director – Country Manager, Caucasus and Central Asian Republics is promoted to Vice President - Commercial Operations, Fabric and Home Care, Baby Care and Feminine Care; Turkey, Caucasus and Central Asian Republics, while Irakli Gabriadze, currently Director, Corporate MS&P and Business Development Leader, Caucasus and Central Asian Republics has taken over the position of Senior Director – Country Manager, Caucasus and Central Asian Republics.**

Two senior promotions have been realized at Procter & Gamble (P&G), one of the world's largest self-care and cleaning products companies reaching consumers with over 15 leading brands such as Fairy, Ariel, Pampers, and Always for 36 years in Turkey and 25 years in Azerbaijan.

Senior Director – Country Manager, Caucasus and Central



Asian Republics and Board Member **Değer Kurtaslanoğlu** has been promoted to Vice President - Commercial Operations, Fabric and Home Care, Baby Care and Feminine Care; Turkey, Caucasus and Central Asian Republics. **Irakli Gabriadze** who is currently Director, Corporate MS&P and Business Development Leader, Caucasus and Central Asian Republics takes

over Kurtaslanoglu's position with promotion as the Senior Director – Country Manager, Caucasus and Central Asian Republics.

Receiving his bachelor's degree from Middle East Technical University in Business Administration, Değer Kurtaslanoglu started his career at P&G Turkey as Regional Manager in 2000. Kurtaslanoglu held various positions internally and externally such as P&G Turkey Trade Marketing Manager of Femcare (Always-Discreet), P&G Trade Marketing Group Manager of Babycare (Pampers), and Femcare (Always-Discreet) categories, P&G Turkey National Accounts Group Manager, Director of P&G Turkey National and Direct Shipment Customers, Director of P&G Turkey / North Cyprus Distributor Operations and Cash & Carry customers.

Started his career as Regional Manager in 2005 at P&G Azerbaijan, Irakli Gabriadze held various positions internally and externally, such as Caucasus Distributor Operations Manager, Caucasus Corporate Trade Marketing Manager, Caucasus Market Strategy & Planning Manager, P&G Middle East & Africa Laundry Market Strategy & Planning Manager, Cauca-



sus Market Strategy & Planning Director, P&G Japan Sustainability Leader & Braun G2M Reinvention Director. Irakli is a US-educated & FLEX alumnus (2001), received his bachelor's degree in international business from the Caucasus School of Business, and was on duty as Business Development Director for Turkey, Central Asia & Caucasus since June 2022.

## AmCham Digital Economy & Innovations Committee

AmCham Azerbaijan is pleased to inform on recent changes and updates within the Committee.

### 1. Committee Name Change

The former Digital Technology & Innovations committee is set to undergo a name change to better align with its focus on the intersection of the digital economy and innovation. The committee will be known as the “**Digital Economy and Innovation (DEI)**” committee. This change reflects the committee's dedication to driving economic growth through digital transformation processes and encouraging innovation among AmCham members. The committee's focus will be on fostering a culture of innovation and supporting AmCham members' participation in activities related to the innovation sector in Azerbaijan. By staying at the forefront of digital transformation and innovation, the DEI committee will help its

members achieve their business goals and contribute to the development of Azerbaijan's economy.

### 2. New Appointments to the Committee

We are also pleased to announce the new appointments of **Mr. Teymur Taghiyev**, Head of Strategy and PMO of NEQSOL Holding, and **Mr. Anar Alizamanli**, Country Manager of Etik Teknoloji Baku, as Deputy Chairpersons of the Committee.

Teymur Taghiyev is an experienced strategist and project with over 20 years of experience in strategic planning and project management across various international regions, including the Baltics, MENA, and CIS regions. He has a strong academic background, having earned an LL.M degree in International Law, and he has also completed Executive MBA program at Cass Business School. With his extensive experience and education, Teymur is well-equipped to navigate complex business challenges and deliver successful outcomes for his clients and partners.

Anar Alizamanli is a result-oriented, innovative legal professional with extensive knowledge in contract law,



corporate governance, start-up investments, privacy law and negotiations. Currently, he is assisting Startups and Tech companies in building legal and business strategies. Anar is passionate about Data Privacy, and the legal consequences of Artificial Intelligence. He currently serves as Country Manager for Etik Teknoloji Baku LLC and works as a Lawyer and Consultant for Turan Legal and Tax Services LLC. Anar earned an MA in International Relations from China Foreign

Affairs University, Beijing, PRC in 2021, and an LL.M in Chinese Law from Renmin University of China, Beijing, PRC in 2019.

We believe that by embracing the economy and innovation, we can achieve synergy between the major digital government leaders in Azerbaijan and bring maximum benefits to our members and the environment as a whole by operating on the edge of the two.

## AmCham Banking, Finance and Insurance Committee

AmCham Azerbaijan is pleased to announce the new appointment of **Mr. Jeyhun Mammadbayli**, as a Chairperson and **Ms. Gunay Jalilova**, as Deputy Chairperson of the Banking, Finance and Insurance Committee.

Mr. Jeyhun Mammadbayli carries MA degree in Oriental studies from Moscow State University (1987), Diploma in Management Studies (DMS) from the Nottingham Trent University (1995, UK) and MBA from the University of Bath (2002, UK).

Over the last 32 years he has been holding top managerial positions in different local and international companies. Also, he has got more than 19 years of Business Trainer experience at the ABTC (Azerbaijan Bank Training Centre) delivering training courses in Project Management, Strategic Management and soft-skills and continues this activity as a freelance business trainer. Meantime, M. Mammadbayli has been involved into activity of several associations: Member of Azeri-British Trade and Industry Council (1996-1999), Chairman of the Association of Leasing Companies of Azerbaijan (2005-2007), Deputy Chairman of the Banking,

Finance and Insurance Committee of AmCham Azerbaijan (since 2020).

Currently Mr. Jeyhun Mammadbayli is an Independent Member of the Supervisory Board of Pasha Insurance (since 2009). Also, he is a Professor of Practice in Public Administration at ADA University.

Gunay Jalilova is a Bank Executive with an extensive experience in different areas of banking, digital transformation, people management and marketing. As Chief Growth officer, she leads Product development, Brand management, Customer Value Management, and Data Science functions in Yelo Bank.

Over 17 years of activity in banking sector, she was in charge of several business directions, such as branch management, corporate banking, human capital management, sales and business development.

Gunay received a bachelor's and master's degree in Finance from the Azerbaijan State Economic University. She is also a graduate of the Warwick Business School in England in the direction of "Executive MBA".

We would like to thank Mr. Anar Hasanov, who previously served as a Committee Chairperson for the dedicated and hard work and wish him success in all future endeavors!

## AmCham Marketing, Communications and Business Development WG

AmCham Azerbaijan is pleased to announce the new appointment of **Mr. Turkhan Ahmadov** and **Ms. Tatiana Ravalli** as a Deputy Chairpersons of Marketing, Communications and Business Development Working Group. Mr. Turkhan Ahmadov is the Head of PR and Communications at Nobel Energy Group. Turkhan is a communications and public relations (PR) professional with over 20 years' experience in multi-dimension stakeholder relations, advocacy, networking and partnership building, digital/traditional communications and PR management, and media outreach.

Designed and implemented communication and PR strategies and policies for private and government sector; delivered high-profile communication campaigns aimed at promoting brand and build trust in the organization among key stakeholders (e.g. partners, host government, communities), briefed senior management before public appearances, leveraged the company presence on social media.

Ms. Ravalli Tatiana is the Caucasus and Central Asia Regional Strategy Director for FCB Artgroup, a networked advertising strategy.

Tatiana did her bachelor degree on Public Relations and Image Management in Università degli Studi di Udine, and master's degree in Communications and Media Studies in Università degli Studi di Milano. She has over 11 years of experience in advertising communication, specializing in strategy and planning. Tatiana is highly skilled professional adept at managing and developing brand positioning, executing successful communication campaigns, and creating integrated media strategies. During this time, Ms. Ravalli worked for some of the biggest international corporations such as FCA, Nestle, and Unilever, and gained a deep understanding of the CIS countries while overseeing the region of Caucasus and Central Asia for the past three years. Additionally, she has been teaching Business Communication as an associated professor at ADA for the past two semesters and has served as an official speaker for the Media Development Agency of Azerbaijan.



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