



Cabinet of Ministers of the Azerbaijan Republic

Decision

On the establishment of the public legal entity "Education Development Fund" under the Ministry of Education of the Azerbaijan Republic

The Cabinet of Ministers of the Azerbaijan Republic decides the followings in order to ensure the implementation of Part 1 and Clause 4.1 of the Decree No. 1399 of the President of the Republic of Azerbaijan dated July 14, 2021 "On the establishment of the Education Development Fund under the Ministry of Education of the Azerbaijan Republic":

1. "Education Development Fund" public legal entity should be established under the Ministry of Education of the Azerbaijan Republic.
2. The "Charter of Education Development Fund" should be approved (attached).
3. Ministry of Education of the Azerbaijan Republic (hereinafter - the Ministry):
 - 3.1. During two months:
 - 3.1.1. to appoint the members of the Management Board of the Fund, including the chairman and his deputy, for the purpose of ensuring the activity of the "Education Development Fund" (hereinafter - the Fund) under its authority;
 - 3.1.2. to approve the structure of the fund, the labor payment fund, the number of employees and the staff schedule, as well as the amount of employees' salaries (wage, additions to wage, bonuses and other payments).
 - 3.2. In order to obtain state registration of the fund, within 3 (three) days from the date of entry into force of this Decision, apply to the Ministry of Economy of the Azerbaijan Republic in the manner established by the legislation of the Azerbaijan Republic "On State Registration and State Register of Legal Entities" and inform the Cabinet of Ministers of the Azerbaijan Republic about this within 1 (one) day from the day of the Fund's state registration;
 - 3.3. To resolve other issues arising from this Decision.
4. It should be determined that:
 - 4.1. The Charter fund of the Fund is in the amount of 1 (one) million manats and is provided by the Ministry through deductions from the non-budgetary funds of educational institutions (except vocational education institutions), as well as from the income obtained from the provision of paid educational services.
 - 4.2. The fund maintenance costs and activities are financed by the Ministry with the funds mentioned in paragraph 4.1 of this Decision, as well as other funds obtained from the activities of the Fund.
5. The amendments to the Charter approved by this Decision can be made in accordance with Clause 2.6-1 of the "Regulation on the procedure for preparing and adopting normative legal acts of executive authorities" approved by Decree No. 772 of the President of the Azerbaijan Republic dated August 24, 2002.

Approved

Charter of Education Development Fund

1. General Provisions

- 1.1. The Education Development Fund (hereinafter referred to as the Fund) is a public legal entity that finances programs and projects aimed at the development of the education system in the Republic of Azerbaijan, and also helps to adapt the material and technical base of state educational institutions to modern requirements.
- 1.2. The Fund operates under the Ministry of Education of the Azerbaijan Republic (hereinafter referred to as the Ministry).
- 1.3. The Foundation is guided in its activities by the Constitution of the Republic of Azerbaijan, the laws of the Republic of Azerbaijan, this Charter, other decrees and orders of the President of the Azerbaijan Republic, other decisions and orders of the Cabinet of Ministers of the Azerbaijan Republic, normative legal acts of the Ministry, orders and disposals of the Minister of Education of the Azerbaijan Republic.
- 1.4. In the course of fulfilling its duties and exercising its rights, the Fund interacts with state and local self-government bodies, international and non-governmental organizations, and other legal and natural persons.
- 1.5. The Fund has an independent balance sheet, property, bank accounts, a seal with the name of the Ministry and its own name engraved on it, appropriate stamps and forms.
- 1.6. The Fund is engaged in activities of national and social importance. The Fund may engage in entrepreneurial activity in order to achieve the goals provided for in this Charter.
- 1.7. According to the law, the Fund has the right and obligations to conclude contracts, acquire and perform property and non-property rights on its own behalf. The Fund can act as a plaintiff or defendant in court.
- 1.8. The Fund is located in Baku.

2. Activities of the Fund

- 2.1. The Fund's activities are as follows:
 - 2.1.1. to participate in the formation of the state policy related to the development of the education, strengthening the integration of education and economy;
 - 2.1.2. to finance programs and projects of public and social importance, including at the international level, aimed at the development of the education system in the Azerbaijan Republic;
 - 2.1.3. to help adapt the material and technical base of state educational institutions to modern requirements;
 - 2.1.4. to participate in the development and implementation of mechanisms that promote the development of education;
 - 2.1.5. to help strengthen the social protection of the Ministry's employees and improve their financial security.

3. Duties and rights of the Fund

- 3.1. According to the directions of activity defined by this Charter, the duties of the Fund are as follows:
 - 3.1.1. to participate in the preparation and implementation of normative legal acts, development concepts, targeted programs in the field of education;
 - 3.1.2. to support measures to strengthen the material-technical, teaching-methodical base of state educational institutions;
 - 3.1.3. to strengthen the social protection of educational workers, as well as the employees of the Ministry, and to improve their financial security;
 - 3.1.4. to ensure transparent, efficient and centralized management of income and costs of educational institutions (except vocational education institutions);
 - 3.1.5. to participate in the development of programs ensuring the development of education;
 - 3.1.6. to participate in the financing of projects arising from state programs implemented in the field of education;
 - 3.1.7. to support the financing of innovation projects in education, the establishment of favorable conditions for attracting and promoting investments in them;
 - 3.1.8. to support projects on the formation of a high-quality educational provider that takes into account the individual characteristics of students, and ensures effective assimilation of educational content through innovative training methods and technologies;
 - 3.1.9. to provide targeted scholarship programs for students;
 - 3.1.10. to support projects for the efficient organization of creative, intellectual development and free time of young people in educational institutions;
 - 3.1.11. to participate in the process of implementation of measures for the establishment and improvement of the learning environment, resources for teaching and learning materials (libraries, electronic resource stores, etc.) in educational institutions;
 - 3.1.12. to carry out the activity of attracting investments for the development of the Fund's activity, increasing its efficiency and reliability;
 - 3.1.13. to form and implement a risk management system to reduce risks in the Fund's activity process;
 - 3.1.14. to organize competitions for choosing of projects financed by the Fund, to organize the examination process of those projects;
 - 3.1.15. to provide the fulfillment of obligations undertaken by the Republic of Azerbaijan on issues regulated by the international agreements to which the Azerbaijan Republic is a party and which are within the competence of the Fund;
 - 3.1.16. to ensure the application of scientific and technical achievements in the relevant field, taking into account advanced international experience;
 - 3.1.17. to make suggestions regarding the preparation of professional specialists in the relevant field and the preparation of educational programs and to participate in their implementation, to organize electronic services according to the Decree No. 263 of the President of the Azerbaijan Republic dated September 12, 2018, on the approval of "Rules for the formation, management, integration and archiving of state information resources and systems" and some measures related to electronic government;
 - 3.1.18. to review the appeals received regarding the activities of the Fund and take appropriate measures in accordance with the laws of the Azerbaijan Republic "On Citizens' Appeals", "On Administrative Proceedings" and "On Obtaining Information";

- 3.1.19. to organize the administration and reception of citizens according to the requirements of the relevant normative legal acts;
 - 3.1.20. to take appropriate measures for further education and professional development of the employees of the Fund;
 - 3.1.21. informing the population about their activities, creating a website, to ensure that the public information that it has and that should be disclosed as determined by the Law of the Republic of Azerbaijan "On Obtaining Information" is placed on that site and that this information is constantly updated;
 - 3.1.22. to ensure the efficient use of budget funds, loans, grants and other financial funds allocated to the fund;
 - 3.1.23. to take measures to protect state and commercial secrets, as well as confidentiality;
 - 3.1.24. organizing information provision of the Fund and ensuring its security;
 - 3.1.25. to take measures to improve the structure and activity of the Fund;
 - 3.1.26. to perform other duties specified by this Charter.
- 3.2. The Fund has the following rights to perform its duties:
- 3.2.1. to make relevant proposals on the adoption of the draft of the normative legal act in the field of education, making changes to the act, suspending or canceling its validity;
 - 3.2.2. to submit proposals to the Ministry about the support of the Republic of Azerbaijan to international agreements in the field of education;
 - 3.2.3. to cooperate with international organizations, relevant state bodies (institutions) of foreign countries, to study the relevant experience of foreign countries in order to investigate the possibilities of applying international experience;
 - 3.2.4. to define the financing mechanisms of institutional and individual projects in the field of education development;
 - 3.2.5. to solve the issue of project financing according to the directions of activity;
 - 3.2.6. to participate in the financing process of educational institutions and their established organizations, as well as the initiatives of students and graduates aimed at the development of education (to establish technology parks, business incubators, acceleration and innovation centers, startup projects, etc.);
 - 3.2.7. attracting financial resources to the fund, as well as taking measures related to voluntary donation, aid, grant acquisition;
 - 3.2.8. to submit requests for necessary information (documents) to state and local self-government bodies, individuals and legal entities and to receive such information (documents) from them;
 - 3.2.9. to involve independent experts and specialists in its own activities;
 - 3.2.10. to control the use of the funds allocated by the Fund in accordance with their purpose, and if those funds are not used for their purpose, to take measures for the return of the given funds according to the legislation;
 - 3.2.11. to require educational institutions to pay the allocations made to the Fund on time and fully;
 - 3.2.12. to conduct research on issues related to the directions of action, create working groups and commissions;
 - 3.2.13. to present opinions and proposals on the directions of activities, to conduct analyzes and generalizations, to prepare analytical materials;
 - 3.2.14. to hold conferences, meetings, seminars and organize other events regarding the issues related to the directions of activity;
 - 3.2.15. to become a member of regional and international organizations according to the law;

- 3.2.16. to engage in entrepreneurial activity, create or participate in economic societies with the approval of the Ministry;
- 3.2.17. to submit proposals to the Ministry regarding the submission of employees to state awards and other awards, to take measures for their promotion;
- 3.2.18. to issue special newsletters and other publications;
- 3.2.19. to exercise other rights established by this Charter.

4. Management of the Fund

- 4.1. In its operation and management, the Fund applies progressive corporate governance standards.
- 4.2. The governing body of the Fund is the Management Board.
- 4.3. The Management Board performs general management and control of the Fund. The Management Board consists of 3 (three) members, including the Chairman of the Management Board and his deputy, who are appointed and dismissed by the Minister of Education of the Azerbaijan Republic.
- 4.4. The duties of the Management Board are as follows:
 - 4.4.1. to organize and control the activities of the Fund;
 - 4.4.2. to submit proposals to the Ministry regarding the determination of the development directions of the Fund, to define its strategic goals and plans;
 - 4.4.3. to submit proposals and documents (including the Fund's financial statement and annual report on its activities) to the Ministry for the fulfillment of the powers of the founder;
 - 4.4.4. to submit proposals to the Ministry on determining the structure of the fund, the labor compensation fund, the number of employees and the amount of their salaries (wage, additions to the wage, bonuses and other payments);
 - 4.4.5. to approve the financial planning and budget of the Fund;
 - 4.4.6. to provide efficient use of the funds provided for in subsection 3.1.22 of this Charter;
 - 4.4.7. to appoint the fund's external auditor and accept the audit report;
 - 4.4.8. to take measures regarding the results of external auditor's inspections, as well as other inspections;
 - 4.4.9. if the internal audit department of the Fund is established, to monitor the activity of that department and receive reports on its activity, as well as to appoint and dismiss its members;
 - 4.4.10. with the consent of the Ministry, to make a decision on the establishment of economic societies of the Fund or participation in them, as well as on the establishment of offices, branches and representative offices of the Fund;
 - 4.4.11. to approve the internal rules of the Fund's activities (including the rules for excluding conflicts of interest), as well as the statutes of departments, branches and representative offices, and the charters of subsidiary economic communities;
 - 4.4.12. reviewing the applications of the members of the Management Board and making decisions;
 - 4.4.13. to submit the annual report on the activities of the Fund to the Ministry;
 - 4.4.14. with the consent of the Ministry, to make a decision on the conclusion of the act (especially important act) in the amount of more than 25 percent of the value of the net assets of the Fund and the act with the relevant person whose value is 5 percent or more of the assets of the Fund;
 - 4.4.15. to make a decision on concluding an agreement with the relevant person, the value of which is up to 5 percent of the Fund's assets;
 - 4.4.16. to take measures to solve the issues provided for in subsections 3.1.1 and 3.2.1 of this Charter;

- 4.4.17. to control the implementation of the Fund's development directions, strategic goals and plans, as well as its budget;
- 4.4.18. to make decisions on all other matters not related to the powers of the Chairman of the Management Board.
- 4.5. The Chairman of the Management Board convenes and presides over the meetings of the Management Board at least once a month. A member of the Management Board speaks at the initiative of holding the meetings of the Management Board. Meetings of the Management Board are considered authorized when more than half of the members are present. Each member has one vote right at the meeting of the Management Board, decisions are made by simple majority vote. Members are not allowed to abstain during the voting period. If the number of votes is equal, the vote of the chairman of the meeting is decisive.
- 4.6. The members of the Management Board are informed in writing about the place and time of the meeting, as well as the issues included in the agenda, at least 3 (three) working days before the meeting, with necessary documents attached.
- 4.7. If an issue affecting the interests of any member of the Management Board is included in the agenda of the meeting, that member should provide detailed information about his interests, and should not participate in the discussion of this issue and the voting process on that issue.
- 4.8. Decisions cannot be made on issues that have not been included in the meeting's agenda or the required relevant documents have not been submitted before the meeting, except in cases where all participating members have agreed.
- 4.9. Chairman of the Management Board:
 - 4.9.1. rules and represents the current activities of the Fund;
 - 4.9.2. issues internal decrees and orders that should be implemented in connection with the organization of the Fund's activities;
 - 4.9.3. organizes, verifies and supervises the implementation of the adopted acts related to the activities of the Fund;
 - 4.9.4. organizes the activities of the Management Board, defines the agenda of Fund's meetings and presides over the meetings;
 - 4.9.5. convenes meetings of the Management Board on his own initiative or on the initiative of another member of the Management Board;
 - 4.9.6. invites other persons to participate in the meeting of the Management Board on his own initiative, as well as on the proposal of any other member of the Management Board;
 - 4.9.7. cancels the decisions of himself and the officials of structural departments of the Fund that are against the legislation;
 - 4.9.8. approves the structure, staffing and cost estimates of the Fund's Office and other structural departments within the established structure, salary fund and number of employees;
 - 4.9.9. organizes the payment of official salaries, additions to official salaries, bonuses and other payments of employees of the Fund within the framework of the salary fund;
 - 4.9.10. except for the cases defined by this Charter, the appointment and dismissal of the employees of the Fund, including its departments, branches and representative offices, economic communities, as well as other subordinate institutions (in economic communities, only managers), as well as incentive and disciplinary measures against them makes decisions about what to do;
 - 4.9.11. supervises the use of the Fund's property in accordance with the purposes stipulated in its Charter;
 - 4.9.12. performs operations on behalf of the Fund within the powers established by this Charter, concludes agreements and ensures their fulfillment;

- 4.9.13. organizes advisory committees and working groups related to the activities of the Fund;
- 4.9.14. takes necessary measures for the protection of the state secret and confidentiality regime for the Fund's activities, as well as other information protected by legislation;
- 4.9.15. ensures clerical and archival work in the fund;
- 4.9.16. ensures consideration of applications and reception of citizens in the fund.
- 4.10. Unless the Chairman of the Board is temporary, his powers are exercised by another person determined by the chairman from among the members of the Management Board.
- 4.11. Members of the Management Board:
 - 4.11.1. They participate in the process of solving issues related to the power of the Management Board;
 - 4.11.2. They familiarize themselves with the agenda of the Board meeting and the materials to be considered in advance;
 - 4.11.3. They express their opinion on the decisions to be made at the meeting of the Management Board;
 - 4.11.4. They propose to consider issues related to the powers of the Management Board at the meetings of the Management Board;
 - 4.11.5. They get acquainted with the decisions, meeting minutes and other documents of the Management Board.
- 4.12. The members of the Management Board must have an impartial approach to the issues discussed at the meetings of the Management Board.
- 4.13. The members of the Management Board should not allow actions and speeches that could harm their name, and should also fulfill other requirements defined by Article 49 of the Civil Code of the Republic of Azerbaijan.

5. Fund's charter fund, property and basics of financial activity

- 5.1. The charter capital of the fund is in the amount of 1,000,000 (one million) manats.
- 5.2. The fund's property is formed from the charter fund, the property provided by the founder, the extra-budgetary funds of the educational institutions under the Ministry (except for vocational education institutions), as well as deductions from the income obtained from the provision of paid educational services, income from the activity of the Fund, donations, grants and investments and other funds not prohibited by law.
- 5.3. The Fund uses its property only in accordance with the purposes defined by its Charter. In relation to the state property on the balance sheet of the Fund, it performs its powers according to the Decree No. 586 dated June 6, 2007 of the President of the Republic of Azerbaijan "On the preservation and improving of the efficient use of state property".
- 5.4. The Fund has the right to independently disposing of the funds obtained from the activities of the Fund, its offices, branches, representative offices and economic communities after paying the taxes and other mandatory payments stipulated by the law.
- 5.5. The profit of the fund can be transferred to the state budget for purposes not provided for in this Charter only by the decision of the Cabinet of Ministers of the Republic of Azerbaijan.
- 5.6. The prices of the Fund's products (goods, works, services) are not included in the regulated prices.

6. The form and scope of control over the Fund's activities

- 6.1. The Fund's activity is controlled by the Cabinet of Ministers of the Azerbaijan Republic, the Ministry, and also by the Management Board in the manner determined by this Charter.
- 6.2. The annual report on the activity of the fund is submitted to the Ministry.

7. Accounting and reporting process in the Fund

- 7.1. The Fund conducts accounting process, prepares, submits and publishes financial reports according to the Law of the Azerbaijan Republic "On Accounting" for public legal entities.
- 7.2. The Fund keeps statistical records, compiles and presents statistical reports according to the Law of the Azerbaijan Republic "On Official Statistics".
- 7.3. Auditing of the financial and economic activity of the institution, branch, representative office and economic communities, as well as other subordinate institutions, is ensured by the Fund.
- 7.4. An external auditor is engaged by the fund to independently verify its activities.

8. Liquidation and reorganization of the Fund

- 8.1. The process of liquidation and reorganization of the fund is carried out by the Cabinet of Ministers of the Republic of Azerbaijan in agreement with the President of the Republic of Azerbaijan.