### Country: Azerbaijan

### **COUNTRY PROGRAMME PERFORMANCE SUMMARY**

### Reporting period: 2011-2015

### **I. EXECUTIVE SUMMARY**

The UNDP Country Program for Azerbaijan for 2011-2015 was adopted by UNDP Executive Board in 2010 and focused on three priorities and five outcomes, including 1) Economic development; 2) Environmental sustainability; and 3) Effective governance. The UNDP Country Program 2011-2015 for Azerbaijan was developed and implemented in close partnership with the Government and civil society of Azerbaijan as well as UNDP’s international partners and donors. As reflected in the UNDAF evaluation and UNDP Monitoring and Evaluation reports, during the period under review, the Country Program has made an important contribution to the national development priorities in Azerbaijan.

Azerbaijan has made significant strides in improving the delivery of public services, which was recognized by 2015 United Nations Public Service Award for ASAN Service. UNDP has contributed to the improvement of public services through assistance in a) creating electronic services and data-bases (Pension Fund, Ministry of Justcice), b) developing ICT strategy and connectivity back-bone (Ministry of Communications and High Technologies), c) creating more transparent civil service (Civil Service Commission).

UNDP advocates for diversification of economy and for bigger empowerment of the vulnerable groups (such as young people, women). This was done at two levels. On one hand UNDP participated in development of State Programs and Strategies on Employment, Youth and Tourism. One the other hand, UNDP demonstrated specific activities and programs aimed at assisting young people in finding jobs and rural women in starting their own businesses. UNDP was also instrumental in including the vulnerable groups in discussing of the post-2015 agenda.

In recent years, Azerbaijan has become more active in international assistance and demonstrated readiness to engage in South-South Cooperation. UNDP has been instrumental in opening up new avenues for cooperation in this context given that over the transitional years, Azerbaijan has accumulated a wealth of experience, technical know-how and expertise that can be shared with developing countries. UNDP Azerbaijan has facilitated knowledge transfers, notably on e-governance with Afghanistan and Turkmenistan, and will seek to expand the South-South dimension of its program over the next cycle.

A remarkable example of partnership with the Government of Azerbaijan is the First Global Youth Policy Forum held in Baku in October 2014. With more than 700 participants from all over the world the Forum was co-organized by UNDP, UN SG Envoy for Youth, UNESCO, Council of Europe and Government of Azerbaijan and adopted Baku Commitments to Youth Policies.

In the period 2010-2015, in partnership with international community and the Government of Azerbaijan, UNDP mobilized and delivered programs of a total value of over US$54.2 million. The top five financial contributors to the Country Program in Azerbaijan included the Government of Azerbaijan, the EU, GEF, Special Climate Change Fund and Government of Norway. UNDP also received contributions from private sector.

### **I: Country Programme Performance Summary**

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| **Country information** | |  | | |
| **Country name: Azerbaijan** | | | | |
| **Current country programme period: 2011-2015** | | | | |
| **Outcomes** | | **Total Expenditure** | **Key Indicators of outcome (1-4 per outcome)** | **Progress made against key indicators** |
| ***1. 1. National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks*** | | $ 3,701,539 | *Indicator: 1.1.1 Amount of foreign direct investments in non-oil sector*  *Baseline: 2008- $ 641.2 million*  *Target: 25% increase*  *Indicator : 1.1.2 Annual percentage increase in non-oil gross domestic product*  *Baseline: 2009 - 3%*  *Target: 10%*  *Indicator: 1.1.3 Volume of non-oil sector exports*  *Baseline: 2008 - $47.756 billion*  *Target: $150 billion* | * + 1. *Year of latest data: 2013*   *Actual data: 6278000000;*   * + 1. *Year of latest data: 2014*   *Actual Data 7 (some progress);*  *1.1.3 Year of latest data: Jan-September 2014.*  *The baseline figure is erroneous. The correct baseline figure is 1,443,382,000*  *Actual data: 1200000000 (regression)* |
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| **UNDP Contribution:**  CP Outputs:  1.1.1 International competitiveness of private enterprises in the non-oil sector is increased  1.1.2 Recommendations implemented from national assessment to identify trade development potential  1.1.3 Inter-agency, bilateral and regional cooperation enhanced between Azerbaijan, Georgia, European Union Member States and international stakeholders - to facilitate the movement of persons and goods across borders while maintaining secure borders  Progress and Achievements:  UNDP has worked to address one of the main challenges for the private sector competitiveness cited by Global Competitiveness Index - lack of adequately trained workforce. UNDP focused on one of the most promising sectors of non-oil development - tourism industry. UNDP collaborated with the Baku Tourism Vocational School. 204 students were trained in occupations such as waiters, cooks, receptionists, travel agents, mid-level managers. 10 students were awarded internationally recognized AMADEUS certificates that helped them in finding a job at the travel agency. This pilot intervention helped to gather valuable lessons learnt and knowledge through modeling new systems and mechanisms for vocational education with an ultimate intention to influence the human resource development policies that are seen as a critical enabling factor for private sector competitiveness.  UNDP has continued advocacy for the diversification of the economy as a way to make the country more resilient to external shocks, such as global economic crisis and oil price volatility. UNDP has stimulated policy debates on challenges and opportunities of single-resource economies and organized a series of international workshops (in collaboration with SOFAZ, GIZ) that came up with a set of recommendations to help the decision - makers in Azerbaijan shape policies to reduce the risks typically faced by resource-rich economies and ensure sustainable and equitable growth. Some of the key elements of a new economic model have been reflected in the new government strategy “Vision 2020”.  Bi-lateral cooperation was enhanced between Azerbaijan and Georgia through a renewed dialogue on the joint border management. This was done in the context of ‘integrated border management’ system in collaboration with EU and its member states. As a result of intensive training activities and provision of a documents verifications and vehicles control equipment the actual check time at the Border Crocking point between Azerbaijan and Georgia was significantly reduced; border agencies of two countries established better coordination mechanisms at all levels, including establishing of institutes of border delegates that regularly communicate at the actual border lines in immediate addressing of daily incidents. Through assistance from the project, State Border Service of Azerbaijan established an efficient working relations with European border control agency Frontex and developed a joint action plan that led to further strengthening of knowledge and skills of Azerbaijani border guards about European border and migration procedures and practices. | | | | |
| ***1.2 National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks*** | $845,948 | | 1. *Indicator: 1.2.1 Labour force participation rate by urban/rural/ sex* 2. *Baseline: 2008: 71.1% overall (urban men 71.5%, urban women 63.1%; rural men 79.8%, rural women 72.5%)* 3. *Target: 85%* 4. *Indicator: 1.1.2 Employment rate by urban/rural/ sex* 5. *Baseline: 2008, 93.2% (urban men 91.2%, urban women 90.4%; rural men 95%, rural women 96.5%)* 6. *Target: 96%* | * + 1. *Year of latest data 2014 (regression):*   *Actual Data: Men total- 68.0 %*  *Women total - 61.4 %*  *Men/Rural - 71.4%*  *Men/Urban - 62.5%*  *Women/Rural - 65.6%*  *Women/Urban - 58%*   * + 1. *Year of Latest data 2014 (some progress):*   *Actual Data: 61.4*  *Methodology for calculating this indicator has changed. Hence, it is no longer comparable with baseline. If the old methodology were applied in 2014, the employment rate would have been equal to 95.1%. Hence, there is a progress towards this indicator. Breakdown by sex and rural/urban is provided below:*  *Men total - 65.3%*  *Women total - 57.8%* |
| **UNDP Contribution:**  CP Outputs:  1.2.1 Ministry of Labour and Social Protection of the Population has vocational education and training programmes to ensure qualitative improvement of the skills of the labour force, and in particular people with disabilities, to meet the demands of the labour market  1.2.2 Access to employment and employability of women in selected rural areas improved. Level and factors contributing to economic violence among women diminished  Progress and Achievements:  UNDP established partnership with the Ministry of Labour and Social Protection of the Population and SYSLAB, a Norwegian non-profit organization, to introduce an innovative employment scheme in Azerbaijan. The scheme assists the unemployed youth and includes such elements as training in CV writing, interview, team work, fostering entrepreneurial mindset and networking with potential employers. Three centers were opened – in Baku, Sumgait and Ganja. In total 242 unemployed people, including 154 women (64%), were trained in the three Job Orientation Centres, and 80% of them (of which 120 women) found employment within several months.  UNDP supported the economic empowerment of rural women through capacity building of national and local authorities, strengthening of the entrepreneurial skills of the women and closer cooperation with the private sector employers. Capacities of the national and local authorities were strengthened to develop policies and programmatic interventions in the area of economic empowerment of rural women. A Women Resource Centre (WRC) was created in the Sabirabad region as a technical facility to provide women with information, training and consultation on various aspects of women's economic and social participation. Through the WRC, 16 women were trained in how to start-up and expand their businesses, and the best business proposals were provided with seed funding. As a result, 7 new businesses were initiated. UNDP has conducted a session for local employers including banks and private sector companies, on gender-sensitive service provision and organized a Job Fair with participation of 21 companies and state entities that were seeking qualified candidates to fill in 114 vacancies. As a result of the Job Fair, 13 people, of whom 10 are women, have received job offers. Another WRC will be opened in Neftchala rayon in 2015.  Both of the interventions have high potential to be scaled up and triggered considerable interest among donors. The Government of Azerbaijan is also interested in continuing the projects and including the lessons learnt from the projects into their own tool-kit. | | | | |
| ***1.3 Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change*** | $10,167,730 | | *Indicator: 1.3.1: Carbon intensity of economy (green house gas emissions per unit of output)*  *Baseline: 2008: 849.3 tons CO2 per $ 1 million*  *Target: Reduce by at least 2%*  *Indicator: 1.3. 2: Percentage of total country area covered by Protected Area network*  *Baseline: 2008: 9%*  *Target: 11%* | *1.3.1 Year of latest data: 2014 (no change)*  *Actual Data: 0.89*  *The methodology of this indicator has changed and it is no longer measured in tons of CO2 per 1 million. It is now measured in kg of emissions/1 USD of GDP. Hence, it is impossible to define progress or lack of thereof.*  *1.3.2 Year of latest data: 2014 (significant progress)*  *Actual data: 10.3* |
| **UNDP Contribution:**  CP Outputs:  1.3.1.Ministry of Industry & Energy and Azerenerji have capacity to remove barriers to the development of alternative and renewable energy  1.3.2. Strategies to increase renewable energy from biomass developed/ implemented  1.3.3. Priority ecosystems/economic sectors vulnerable to climate change identified, strategies for improving their resilience developed  1.3.4 Size of marine and other ecosystems registered and managed as Protected Areas expanded  1.3.5 Pasture degradation in mountainous areas reduced through improved land management practices  1.3.6 Improved water resources management and strengthened trans-boundary cooperation on this issue in the Kura-Aras River Basin  Progress and Achievements:  UNDP assisted the government in various dimensions of environmental policy making and implementation. UNDP initiated the update of the biodiversity policies in line with globally agreed targets under the UN Convention on Biodiversity. UNDP also strengthened national capacities in pasture inventory and monitoring - a new pasture inventory methodology was developed, national specialists were trained in applying the methodology and inventory of 3,000 hectares of pastures was completed. Highly eroded areas and hotspots were identified through remote sensing, and restoration of pastures in the rayons of Ismailly and Shemakhi using bioengineering methods was initiated. National capacities for forest management and carbon monitoring were increased through establishment of 3 training centres for foresters, a study tour, introduction of IPCCC baseline methodology on carbon emissions and GIS training.  UNDP has assisted in updating greenhouse gases (GHGs) inventory of 2003-2010 and analyzing major emissions by sources. Results of these studies provide good evidence for devising national mitigation measures. UNDP has also supported the State Oil Company, one of the major CO2 emitters in the country, to identify opportunities for reduction of GHGs in three areas: energy efficiency in residential and public buildings; capturing of associated gas; and reduction of emission in oil related transport sector. This joint project has obtained funding from GEF.  UNDP was instrumental in building capacities of the nascent State Agency on Alternative and Renewable Energy Sources (SAARES). UNDP supported the assessment of vulnerability to climate change in five sectors – agriculture, coastal zone, water resources, tourism and health - thereby providing evidence base for relevant adaptation strategies. UNDP also helped the State Agency to design pilot projects in bio, wind and solar energy. These projects have become part of the investment portfolio that SAARES is currently negotiating with the Asian Development Bank. In addition, UNDP also provided expertise and support in construction of a small hydro-power station in the town of Sheki. | | | | |
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| ***3.1 By 2015 civil society, media and vulnerable groups enjoy an increased role in policy formulation and implementation processes*** | $1,948,392 | | 1. *Indicator: 3.1.1 Annual qualitative assessment of advocacy skills of NGOs and media outlets* 2. *Baseline: 4 (“NGO Sustainability Index” by USAID, “Freedom in the World” and “Freedom of the Press” reports by Freedom House, “Global Corruption Report” by Transparency International)* 3. *Target: 5 (the above mentioned international agencies plus a national agency or civil society organization (CSO), performing annual qualitative review of NGOs and press* | *3.1.1 Year of latest data: 2013 (significant progress)*  *Actual Latest Data: 4.7* |
| **UNDP Contribution:**  CP Outputs:  3.1.1 CSOs and in particular rural NGOs have improved project management skills  Progress and Achievements:  UNDP has contributed to the outcome by empowering young people to play a greater role in formulation and implementation of state policies. In partnership with the Ministry of Youth and Sports UNDP prepared the first draft of the Youth Inclusiveness Assessment Tool. This tool is an innovative product that will allow the government to review its programs from the point of view of youth and improve the participation of the young people in decision-making. In addition, UNDP has trained a core group of 50 young activists in areas critical for participation in public and social life such as policy making skills; leadership; web-journalism; presentation and speech-making and others.  The cooperation with the Ministry of Youth and Sports and the partnership with the SG Youth Envoy, Council of Europe and UNESCO, UNDP Azerbaijan organized first ever Global Youth Policy Forum in October 2014. Over 700 representatives of youth organizations, international and regional organizations and governments adopted Baku Commitments for Youth (<http://youthpolicyforum.org/documents/commitment.pdf> ).  UNDP supported community-based activism and improved NGO management through awareness raising and capacity building measures targeting women in rural areas. Knowledge products such as Toolkit on Strengthening women’s social participation in rural areas, Manual on NGO Establishment and Management were developed, and 25 women benefited from the trainings. These measures were complemented with capacity building for gender focal points of the line Ministries and Deputy heads of ex coms of the Yasamal, Qaradaq, Sabuncu, Suraxani, Xezer, Salyan districts involved in the development of policies and programmatic interventions in the area of community-based activism of rural women.  UNDP, in partnership with other UN Agencies, held a number of Post-2015 discussions in Azerbaijan. In 2014, the emphasis was made on the rural youth. | | | | |
| ***3.2 Efficiency, accountability and transparency in public administration enhanced through capacity development of State entities, including gender sensitive approaches*** | $33,706,106 | | ***Indicator:*** *3.2.1 The number of information technology innovations implemented contributing to increased transparency in public administration*  ***Baseline:*** *2009: 2*  ***Target:*** *5*  ***Indicator:*** *3.3.2: Share of women in civil service, by level*  ***Baseline:*** *2007: Administrative posts: 18%, Supplementary posts: 10%*  ***Target:*** *Administrative posts: 30%; Supplementary posts: 50%* | * + 1. *Year of latest data: 2014 (some progress)*   *Actual Data: 1*  *New mobile application for e-governance portal implemented.*  *3.3.2 Year of latest data: 2014 (no change)*  *Actual data: 9.59*  *Database and methodology for calculating this indicator vary from year to year. Hence, this indicator cannot be compared in time series, and progress towards the outcome cannot be adequately assessed. According to the existing methodology and database, the share of women in administrative positions was 9.89% in 2008 and 9.59% in 2014, and share of women in general support position was 27.95 % in 2008 and 27.16 in 2014. It should also be noted that the statistics provides data only for grades 4-7 that are the junior and mid-level of civil service.* |
| **UNDP Contribution:**  CP Outputs:  3.2.1 Capacity of the Azerbaijan National Agency for Mine Action to become an International Training Centre for De-mining Activities developed  3.2.2 System to monitor and report on SPPRSD is established in Ministry of Economic Development  3.2.3 Capacity of Civil Service Commission under the President of Azerbaijan for recruitment/ training/performance of civil servants improved, including through the establishment of a dedicated civil service training centre  3.2.4 Social insurance/ pension services enhanced through State Social Protection Fund capacity development, improved performance of automated management, and establishment of client service network  3.2.5 Centralized State Register of Population with capacity to produce gender-disaggregated data established  3.2.6 Capacity of Ministry of Communications and Information Technologies to provide support on data communication and transmission further strengthened  Progress and Achievements:  UNDP has contributed to the outcome level change by supporting the ASAN service delivery centre and continuing e-governance programme with multiple state partners (www.asan.az). The assistance to ASAN was provided in three areas – UNDP helped set up the ‘exit-poll’ system to assess client satisfaction; advised ASAN in preparation of the Strategic Management Plan Document which outlines its future work for years to come; held preparatory works for ISO9001:2008 certification and strengthened staff capacities in working with customers.  UNDP helped to further enhance the policy environment enabling wider use of ICT for Development through the preparation of the second National ICT strategy covering 2014-2020, and by supporting data exchange and secure data storage (e.g. through Data Center with regional capacities). UNDP advised on the design of the data exchange system between customs checkpoints across the country to improve tracking of all transit cargo entering Azerbaijan, resulting in greater effectiveness and time and costs savings.  UNDP helped in creation of the capacity of the Azerbaijan National Agency for Mine Action to become an International Training Centre for De-mining, as evidenced by the increased number of services and trainings provided by ANAMA. In 2013 ANAMA, with support from UNDP, provided training to their counterparts from Georgia.  UNDP supported initiation of the establishment of a dedicated training center for civil servants by conducting a legal review and a capacity needs assessment to identify the gaps in the training system and sharing of international experiences.  UNDP went beyond the initial task of setting up a State Registry of Population (completed in 2013) and supported the establishment of a single system for tracking invalid documents. The conceptual design of the registry of invalid documents was finalised, the system was installed, a database created at the Ministry of Justice, and data exchange enabled with the Ministry of Internal Affairs, the Migration Service and the Ministry of Taxes. | | | | |

III. Country Program Resources (2011 – 2015)

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| **Focus Area** | **Program Expenditure ($)** | | | **% of Total** |
|  | Regular (TRAC) | Other | Total |  |
| Poverty and MDGs | 1,061,023 | 1,133,804 | **2,194,827** | 4% |
| Democratic Governance | 2,332,897 | 23,543,450 | **25,876,347** | 51% |
| Crisis Prevention and Recovery | 816,183 | 11,393,730 | **12,209,913** | 24% |
| Environment and Sustainable Development | 778,943 | 9,309,686 | **10,088,628** | 20% |
| Total | **4,989,045** | **45,380,670** | **50,369,714** | **100%** |

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| **Data sources:** |
| Outcome Evaluation “National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks”, 2014  Outcome Evaluation “National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks “, 2014  Outcome Evaluation “Efficiency, accountability and transparency in public administration enhanced through capacity development of State entities, including gender sensitive approaches “, 2013  Project Evaluation “Capacity Buidling for the State Social Protection Fund” , 2011  Project Evaluation “Institutional Support to the Ministry of Culture and Tourism to facilitate effective development of domestic tourism in Azerbaijan”, 2012  Project Evaluation “Establishment and Development of the State Register of Population of the Republic of Azerbaijan”, 2012  Project Evaluation “Strengthening the capacity of educational Institutions for teaching and applying human development concepts”, 2013  Project Evaluation “ Promoting Development of Sustainable Energy in Azerbaijan“, 2014  ROARs, 2011-2014  Baku Commitments to Youth Policies, <http://youthpolicyforum.org/documents/commitment.pdf>  State Statistics Committee, [www.stat.gov.az](http://www.stat.gov.az)  State Civil Servants Registry  NGO Sustainability Index, USAID, http://www.usaid.gov/sites/default/files/documents/1863/E%26E%202013%20CSOSI%20Final%2010-29-14.pdf  E-government portal, [www.e-gov.az](http://www.e-gov.az) |