

**AZERBAIJAN - 2030:  
FROM THE MILLENNIUM DEVELOPMENT GOALS  
TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS**

# **VOLUNTARY NATIONAL REVIEW**

**of the Republic of Azerbaijan on the first steps in the implementation  
of the 2030 Agenda for Sustainable Development**

**BAKU - 2017**



# ACRONYMS AND ABBREVIATIONS

<b>"2030 Agenda"</b>	United Nations "Transforming our world: the 2030 Agenda for Sustainable Development" adopted at the "Sustainable Development Summit" on 25-27 September 2015
<b>AIDA</b>	Azerbaijan International Development Agency
<b>AIDS</b>	Acquired Immune Deficiency Syndrome
<b>ANFES</b>	National Fund for Entrepreneurship Support of the Republic of Azerbaijan
<b>CBAR</b>	Central Bank of the Republic of Azerbaijan
<b>CIS</b>	Commonwealth of Independent States
<b>COM</b>	Cabinet of Ministers of the Republic of Azerbaijan
<b>CSO</b>	Civil Society Organization
<b>ECO</b>	Economic Cooperation Organization
<b>EAS</b>	Economic Activity Survey
<b>FAO</b>	Food and Agriculture Organization of the United Nations
<b>GDP</b>	Gross Domestic Product
<b>IDB</b>	Islamic Development Bank
<b>HBS</b>	Household Budget Survey
<b>ICT</b>	Information and Communication Technologies
<b>IFAD</b>	International Fund for Agricultural Development
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>IOM</b>	International Organization for Migration
<b>MCT</b>	Ministry of Culture and Tourism of the Republic of Azerbaijan
<b>MDG</b>	Millennium Development Goal
<b>MOA</b>	Ministry of Agriculture of the Republic of Azerbaijan
<b>MOE</b>	Ministry of Economy of the Republic of Azerbaijan
<b>MOED</b>	Ministry of Education of the Republic of Azerbaijan
<b>MOF</b>	Ministry of Finance of the Republic of Azerbaijan
<b>MOH</b>	Ministry of Health of the Republic of Azerbaijan
<b>MOENR</b>	Ministry of Ecology and Natural Resources of the Republic of Azerbaijan
<b>MLSP</b>	Ministry of Labor and Social Protection of Population of the Republic of Azerbaijan
<b>MOT</b>	Ministry of Taxes of the Republic of Azerbaijan
<b>NCCSD</b>	National Coordination Council for Sustainable Development of the Republic of Azerbaijan
<b>NCD</b>	Non-Communicable Disease
<b>NGO</b>	Non-Governmental Organization
<b>OIC</b>	Organization of Islamic Cooperation
<b>SCFWCA</b>	State Committee for Family, Women and Children's Affairs of the Republic of Azerbaijan
<b>SCRIDP</b>	State Committee for Refugees and Internally Displaced Persons of the Republic of Azerbaijan
<b>SDG</b>	Sustainable Development Goal
<b>SME</b>	Small and Medium-sized Enterprises
<b>SSC</b>	State Statistical Committee of the Republic of Azerbaijan
<b>TSA</b>	Targeted Social Assistance
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNFPA</b>	United Nations Fund for Population Activities
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>WB</b>	World Bank Group
<b>WHO</b>	World Health Organization
<b>WTO</b>	World Trade Organization
<b>SPPRED</b>	State Programme on Poverty Reduction and Economic Development in the Republic of Azerbaijan for 2003-2005
<b>SPPRS</b>	State Programme on Poverty Reduction and Sustainable Development in the Republic of Azerbaijan for 2008-2015

# TABLE OF CONTENT

<b>FOREWORD .....</b>	<b>4</b>
<b>SUMMARY .....</b>	<b>6</b>
<b>1. INTRODUCTION .....</b>	<b>9</b>
<b>2. THE PROCESS AND METHODOLOGY FOR PREPARING THE REVIEW .....</b>	<b>10</b>
<b>3. PROGRESS MADE TOWARDS THE MILLENNIUM DEVELOPMENT GOALS .....</b>	<b>12</b>
<b>4. SUSTAINABLE DEVELOPMENT ISSUES IN THE DEVELOPMENT AGENDA OF AZERBAIJAN .....</b>	<b>16</b>
4.1. Initial situation and conditions.....	16
4.2. Policy measures for promoting the transition to a sustainable development model.....	25
4.3. The sustainable development issues in the long-term vision of country's development prospects .....	28
<b>5. POLICY MEASURES AND FAVORABLE ENVIRONMENT ESTABLISHED FOR     ACHIEVING THE SDGs .....</b>	<b>31</b>
5.1. Nationalization of the Sustainable Development Goals, targets and indicators and their integration into the national development agenda.....	31
5.2. Institutional mechanisms .....	34
5.3. Implementation tools and resources .....	37
5.4. Ownership, participation and public awareness raising .....	38
5.5. Monitoring, evaluation and accountability .....	39
<b>6. IMPLEMENTATION OF THE GOALS AND ACHIEVEMENTS MADE .....</b>	<b>43</b>
<b>7. PARTICIPATION IN GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT .....</b>	<b>74</b>
<b>8. WAY FORWARD .....</b>	<b>81</b>
<b>9. CONCLUSIONS .....</b>	<b>82</b>
<b>10. REFERENCES .....</b>	<b>84</b>

## FOREWORD

We are heading towards a new future in a changing world. Intensification of scientific and technical progress and globalization trigger revolutionary changes in all spheres of public life. These developments are natural and will happen regardless of how ready we are. What was once viewed as science fiction is becoming reality, at an ever accelerating pace. Of course, every change in the world, as well as every innovation brings about new challenges. As a result, alongside the growth in global capabilities, we are also experiencing a growth in challenges. As such, people, countries, governments and international institutions have to work together to respond to the challenges of the day and take advantage of new opportunities to further develop our world.

Guided by this logic, Azerbaijan is closely involved in the global development initiatives of the international community, including the United Nations (UN). This involvement is of great importance for learning and sharing the best practices and innovative ideas, and has been an important factor in facilitating the successful implementation of the Millennium Development Goals (MDGs) in Azerbaijan in the last 15 years.

Our country joined the Millennium Declaration in 2000 and implemented a number of comprehensive measures to achieve the MDGs. These include the adoption and successful implementation of the State Programme on Poverty Reduction and Economic Development in the Republic of Azerbaijan for 2003-2005 (SPPRED), the State Programme on Poverty Reduction and Sustainable Development in the Republic of Azerbaijan for 2008-2015 (SPPRSD) and a number of other supporting programmes and policy documents. As a result, the country has made a significant progress in achieving numerous targets under the MDGs, particularly in reducing poverty, increasing education level, addressing gender equality issues and environmental protection, reducing child and maternal mortality rates, strengthening the fight against dangerous infectious and other diseases, and expanding participation in global

partnership for prosperity. The most important result achieved is the elimination of extreme poverty and reduction of the absolute poverty rate from 49% in 2001 to 4.9% by 2015.

At present, ensuring of the dynamic and sustainable growth of the non-oil sector is a key focus in the country's development strategy. The idea, raised by the Head of State, "to convert black gold into human capital," is becoming reality. During this period, the implementation of a number of major socio-economic projects, including the opening of new jobs, creation of modern infrastructure, the launch of high technology-based businesses, support to entrepreneurship, steps taken to improve the business climate, as well as the country's role in initiating and implementation of large-scale transnational projects, accelerated the development process and boosted the country's global image.

Our country has also endorsed "Transforming our World: The 2030 Agenda for Sustainable Development" (2030 Agenda), which entails 17 Sustainable Development Goals (SDGs) and 169 associated targets, that were formally approved by the Member States on 25-27 September 2015 at the United Nations Summit on Sustainable Development and entered into force in January 2016.

The identified goals and targets cover economic, social and environmental aspects of sustainable development. They are based on the progress made towards the MDGs and set the global development direction towards 2030. As the SDGs are based on such principles as "universality", "integrated approach" and "leaving no one behind", they serve the prosperity and well-being of human beings. It is expected that their implementation will bring more prosperity by providing dynamic economic growth, and solutions to social and environmental problems.

The establishment of an effective national implementation mechanism is critically important, given the need for a comprehensive

approach to implement the institutional and policy aspects of the SDGs and the need for the development of a stable, comprehensive and diversified economy, a balanced development of the social sectors and the preservation of ecological balance. Taking into account the above-mentioned, and with the purpose of coordinating the implementation of tasks assigned to each government agency with respect to the obligations arising from 2030 Agenda, the President of the Republic of Azerbaijan issued the Decree on October 6, 2016 to establish the National Coordination Council for Sustainable Development of the Republic of Azerbaijan (NCCSD).

Identification of the nationally important priorities and relevant indicators in line with the global goals and targets, ensuring alignment of the state programmes and strategies in the country's socio-economic areas with the SDGs, as well as the preparation and submission of national progress reports for the country's leadership and High-Level Political Forum on the country's achievements towards the SDGs have been identified as key tasks of the Council.

Over the last period, the Secretariat of the National Coordination Council was established, four working groups were formed (on economic development and decent employment, social and environmental issues, as well as monitoring and evaluation, respectively) and other preparatory measures had been taken.

Azerbaijan submits its first Voluntary National Review on the implementation and progress made towards the SDGs. 2030 Agenda identifies the problems faced by people around the world and calls for a joint solution. In this regard, the SDGs resonate broadly in Azerbaijan. Despite of global and regional conflicts, poverty, environmental degradation and problems such as crime, Azerbaijan makes confident steps towards achieving peace and a decent life, and is committed to achieve the targets set by the SDGs.

Long-lasting peace, security, stability and social cohesion are the major pre-requisites for sustainable development. However, the military aggression of Armenia against Azerbaijan does not allow making any major progress in the region. Despite of the resolutions of the United Nations Security Council 822 (1993), 853 (1993), 874 (1993) and 884 (1993), condemning the use of force against Azerbaijan and occupation of its territories, reaffirming the sovereignty and territorial integrity of Azerbaijan and calling for immediate and unconditional withdrawal of the occupying forces from all occupied territories of Azerbaijan, and in flagrant violation of international law, Armenia continues its purposeful efforts towards consolidating the current status-quo of the occupation, strengthening its military build-up in the seized territories and preventing the hundreds of thousands of forcibly displaced Azerbaijanis from returning to their homes and accessing properties in those areas. The resolution of the conflict would not only bring stability and progress to both Armenia and Azerbaijan, but would also ensure peace and justice in the entire region.

In addition, it requires stepping up efforts in the development and diversification of the non-oil sector of the national economy, strengthening export capacity and increasing exports, improving the efficiency of healthcare and social services, and strengthening environmental protection. We believe that the international partners will also support our activities in these areas.

In general, we believe that the SDGs form a favorable platform for the joint work of government agencies, civil society and businesses, academia, research and educational institutions, international development agencies, and mass media. Corresponding initiatives, guiding and supporting activities of the United Nations Agencies, should be also highlighted. We are confident that this cooperation will continue in the future and play an important role in achieving SDGs.

## SUMMARY

This review describes the initial conditions and progress made towards the SDGs in the Republic of Azerbaijan, including the achievements of the MDGs, the conformity of sustainable development issues to the country's development agenda, the main challenges, current hurdles and way forward.

Along with other 192 UN Member States, the Republic of Azerbaijan endorsed the 2030 Agenda for Sustainable Development on 25-27 September 2015 at the UN Sustainable Development Summit in New York and initiated the implementation of the SDGs. Introduction of the timeframes and application of a result-oriented approach, build confidence that the SDGs will boost global development. Thus, the SDGs are expected to change the living standards of billions of people around the world through the adaptation of these goals to local conditions and the establishment of a link with the relevant national policies of governments. By focusing on a limited set of measurable targets, the SDGs will help to increase the foreign aid and improve the efficiency of its distribution, coordinate global and national priorities, mobilize the efforts around these priorities and achieve significant results.

The analyzes used in this area show that during over last period the Republic of Azerbaijan carried out a successful policy towards the MDGs. This is illustrated in the adoption and implementation of targeted policy documents, such as the State Programme on Poverty Reduction and Economic Development for 2003-2005 (SPPRED), The State Programme on Poverty Reduction and Sustainable Development for 2008-2015 (SPPRSD), a wide range of state programmes for the socio-economic development of the regions, Baku and its suburbs as well as specific state programmes on the MDGs, the implementation of necessary reforms in relevant areas, the legislative framework (different laws and regulatory acts were adopted on the cost of living, targeted social assistance, social benefits, pensions and other issues) and the creation of new institutional mechanisms.

As a result, according to the data of the State Statistical Committee (SSC), the macroeconomic stability achieved in 1996 was further strengthened in 2001-2015; the dynamic social-economic growth that started in 1997 ensured the continuity of socio-economic sustainability (during the past 15 years the country's GDP in real terms increased by 4.5 times or at an annual average of 10.6%, GDP per capita in real terms grew by 3.8 times, non-oil GDP in real terms grew by 4.0 times, the investments grew by 12.4 times; the development of the non-oil sector helped to create new jobs and expand income opportunities for the population, the unemployment rate decreased by 5.9 percentage points from 10.9% to 5%, the low level of inflation was secured (which, according to the results of 2015, was 4.0%), the minimum social standards and income levels rose by multiple times and so on) and the most of the targets under the MDGs were achieved before the deadline. Specifically, the analysis and the assessment of data collected on the monitored indicators [2] show that in 2000-2015 extreme poverty in the country was eliminated (at the beginning of the period, extreme poverty was 10.0% and in 2007 it decreased to 0.1%), absolute poverty dropped from 49.0% to 4.9%, enrolment rate in the primary, elementary and high education reached 99.8-100%, significant progress was made on gender equality and women's empowerment, the number of under-5 child deaths per 1000 live births dropped from 30.5 to 13.3, infant and maternal mortality rates significantly fell, the fight against infectious and other diseases was strengthened, malaria was fully eliminated, each year the number of people infected with tuberculosis and other diseases and associated mortality rate decreased, and substantial steps were taken to ensure environmental sustainability and the enhancement of international partnerships for development.

In this regard, the assessment of the Director-General of FAO Jose Graziano da Silva is noteworthy. He emphasized that amongst 128 countries with an obligation to halve poverty within the framework of the MDGs, Azerbaijan

was greatly successful, due to becoming one of 18 countries which fulfilled this obligation and additionally becoming one of 29 countries which succeeded in keeping poverty below 5%[11].

The Government of Azerbaijan continues to regularly take steps required in building upon this progress, as well as adopting relevant policies and implementing a range of measures. The following documents are of key importance with regards to conformity to the SDGs:

-“Azerbaijan 2020: Look into the future” Development Concept. The main priorities of the concept include the following: formation of a highly competitive economy; development of information and communication technologies and ensuring the transition to an information society; human capital development and building of an effective social security system; improvement of legislation and institutional capacity building; development of civil society; preservation and effective management of cultural heritage; ensuring environmental protection and ecological balance [1].

-A total of 12 strategic road maps approved pursuant the Decree of the President of the Republic of Azerbaijan (dated 6 December 2016) on Approval of the Strategic Roadmaps on National Economy and Key Sectors of the Economy, including a roadmap on National Economy and 11 roadmaps on priority sectors of economy (oil and gas Industry (including chemical products); agricultural production and processing; production of consumer goods by small- and medium-sized enterprises; heavy industry and mechanical engineering; specialized tourism Industry; logistics and trade; affordable housing; vocational education and training; financial services; telecommunications and information technologies; utilities (power and thermal energy, water and gas)) [10].

In addition, special emphasis was placed on sustainable development issues in a number of cooperation documents signed with international partners. The most comprehensive one is the United Nations-Azerbaijan Partnership Framework (UNAPF) for 2016-2020 which was signed on 12 July

2016. The UNAPF development process took into account the national priorities set out in Azerbaijan 2020 as well as post-2015 goals. The document identified three interrelated strategic priority areas: 1) Promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; 2) Strengthening institutional capacities and effective public and social services; 3) Improving environmental management and resilience to hazards and human-induced disasters [4].

The priorities reflected in the above mentioned documents are consistent with the SDGs. The current policies and other measures taken to achieve these goals in the country lay a foundation for the Republic of Azerbaijan to take a leading position in achieving these goals and making a solid contribution to the common cause of the global community.

Similar to other signatories of 2030 Agenda, Azerbaijan started the implementation process by adapting the SDGs to the local conditions, setting baselines, targets and monitoring indicators, as well as identifying necessary policy measures and other activities required to achieve the goals.

During the preparation of this review, efforts were made to align the SDGs with the national development agenda, increase the effectiveness of management in the relevant state agencies which are in charge of policy planning and execution in various areas, improve coordination between them and develop capacities and skills necessary for generating, analyzing and processing data. To the end, the working groups were formed with the participation of the relevant state agencies.

Another main problem is the lack of detailed indicators for a number of areas. This impedes the creation of a comprehensive monitoring system on the SDGs. On the other hand, while identifying the indicators, the need for collecting data across a variety of areas and improvement of national statistics was recognized.

Cooperation with the United Nations Office in Azerbaijan plays a pivotal role in bridging

the existing gaps and strengthening the government's capacity. The support of top-notch UN experts and qualified staff was instrumental in the Government's preparation of the present review.

Based on the above mentioned, we firmly believe that coordinated and results-oriented activities undertaken by national governments, UN Agencies, international development organizations and other partners for achieving SDGs may result in a successful experience.

Azerbaijan welcomes ongoing discussions on the nationalization of the SDGs and planning of comprehensive coordination procedures for the acceleration and tracking of implementation of these goals as the best international practices. Another interesting aspect is effective co-operation established between public and

private institutions, civil society, Academia and research institutions, and other stakeholders and mobilization of their capacities for achieving the SDG targets.

In the upcoming period, Azerbaijan needs to strengthen the capacity for generating and analysis of data disaggregated by gender, age, place of residence (rural/urban), sectors and regions/administrative regions, and also needs support in the development and implementation of specific projects which will feed into the progress towards more ambitious SDG targets.

Note: Data with no source of reference in the review were provided by the State Statistical Committee. The 2016 statistical data is provisional.



# 1. INTRODUCTION

This Voluntary National Review has been prepared to assess the status of the sustainable development issues, from the point of perspectives of the long-term development of the Republic of Azerbaijan, as well as the policy documents and actions which are supporting the transition to the sustainable development models in the country.

The review captures the measures taken with respect to nationalization of the SDGs, and targets and indicators, incorporation of the SDGs into the national development agenda, institutional mechanisms, implementation tools and resources. It also highlights ownership, participation and raising public awareness, monitoring, evaluation and accountability issues. The review assesses the current situation in the implementation of the SDGs in the country and the progress made, particularly in strengthening the international partnership, sharing the best practices and lessons learned, as well as the emerging challenges and areas that require support.

The review consists of the following parts:

**The Foreword** highlights the government's position on sustainable development and provides brief information on the planned works and prospects, along with the key points mentioned in the Summary.

**The Summary** captures the issues stemming from the content, including the primary conditions available for achieving the SDGs in the Republic of Azerbaijan, as well as progress made towards the MDGs, alignment of the sustainable development with the country's development agenda, the actions taken for the implementation of the 2030 Agenda, achievements made, the existing and emerging challenges, and next steps.

**Part 1** outlines objectives pursued by the review development, its structure and content.

**Part 2** reflects the methodology and information resources which were used for preparing the review, including support of the government bodies, representatives of the private sector, Academia and research institutions, civil society, international partners and etc.

**Part 3** provides brief information on alignment of the MDGs with national development strategies and priorities, policy documents adopted within this framework, actions taken for achieving the MDGs, the major achievements of each MDG, and activities aimed at addressing the emerging challenges.

**Part 4** reflects the initial situation and conditions in the country in with the implementation of the SDGs, policy measures undertaken to promote transition to the sustainable development model, the integration of sustainable development issues into the long-term vision of the country's development prospects, including issues on the integrated approach to three dimensions of the sustainable development.

**Part 5** focuses on the issues of nationalization of the global goals and SDG targets and indicators, integration of the SDGs into national development agenda, institutional mechanisms, implementation tools and resources, ownership, participation and public awareness, monitoring, evaluation, and accountability raising.

**Part 6** captures the results of analysis and assessment in achieving the SDGs and progress made in "Eradicating poverty and promoting prosperity in a changing world", in line with the theme of the High-level Policy Forum 2017.

**Part 7** describes results achieved in the implementation of SDG17, the actions taken, emerging challenges and suggestions on solutions.

**Part 8** informs about the measures undertaken and planned actions to strengthen efficiency of the activities aimed to implement the 2030 Agenda.

**Part 9** reflects major findings of the analysis, policy recommendations in the relevant areas, experiences gained, challenges addressed, and support that could be required for the development of the similar reports.

**Part 10** indicates the reference sources which were used for preparing the review.

## 2. THE PROCESS AND METHODOLOGY FOR PREPARING THE REVIEW

The review was prepared by the initiative of the NCCSD and support of the United Nations Office. The process of preparation of the review was guided by the NCCSD Secretariat and Working Groups consisting of representatives of the concerned ministries, Academia and research institutions, NGOs, private sector, international partners and other concerned parties was involved to this process. The review was prepared with support from UNDP.

**Methodology for preparing the review** is based on the “Proposal for voluntary common reporting guidelines for voluntary national reviews at the high-level political forum” [12] which was provided in the Annex to the UN Secretary-General Report A/70/684 and other guiding documents [13; 14]. In compliance with the above mentioned guidelines, the structure and content include the following parts:

**Foreword:** This part focuses on the key messages arising from the Voluntary National Review and challenges faced during the implementation of the 2030 Agenda in Azerbaijan;

**Summary:** This part captures information about the process and findings of the review, highlighting the best practices, the lessons learned, the challenges and areas that would need support;

**Introduction:** This part outlines the purpose, structure and the content of the review;

**The Process and methodology for preparing the review:** This part reflects information on the scope of the review, development characteristics, used methods and information sources, progress made, the government support, participation of the concerned parties, coordination of national platforms and processes, and challenges faced during the review preparation process;

**Progress made towards the MDGs;**

**Sustainable development issues in the development agenda of the Republic of Azerbaijan:** This part outlines the initial situation

and conditions, policy measures promoting transition to the sustainable development model; the integration of sustainable development issues into the long-term vision of the country's development prospects;

**Policy measures and creating a favorable environment:** This part focuses on the SDGs and nationalization of targets and indicators, integrating the SDGs into the national development agenda and institutional mechanisms, implementation means and resources, as well as monitoring and evaluation, and accountability.

**Implementation of the Goals and Achievements Made;**

**Participation in global partnership for sustainable development;**

**Way forward:** This part outlines the important actions to be taken for strengthening the SDGs implementation process;

**Conclusion:** This part includes the analysis, summary of findings, and policy measures;

**References.**

**Review preparation process:** First of all, the plan and methodology for the review development was prepared. Upon its approval by the relevant authorities, the first draft review was prepared and circulated to the counterparts for feedback, which was generated by joint discussions. Following the consultations, the final draft review was prepared based on the comments received from the counterparts as well as recommendations provided during the discussions. The final draft was submitted to the relevant authorities and, upon the receipt of the approval, it was circulated to the concerned parties.

In this context, the given below information was collected, systematized, analyzed and consolidated with the support from the counterparts: key policy documents, regulations and other information on the implementation of the SDG targets that are

relevant for Azerbaijan, achievements made, the best practices that could be shared with other countries, the lessons learned which could be helpful achieving the SDGs, challenges arising during the implementation process and measures taken to address them, and information on the support required (technical, and financial). As part of the Rapid Integrated Assessment, national policy documents (strategies, programmes, plans and etc.) were reviewed. Analyses as well as quantitative and qualitative assessment of statistics and administrative information on the SDG indicators were carried out, next steps were identified, and the conclusions were made.

During the review preparation process, the Rapid Integrated Assessment tools, review of the performance gaps, composite indexes and panels, the SDGs related analysis tools were used, along with the traditional analytical-statistical and qualitative analysis and evaluation tools.

**Information provision:** The SDGs related scientific-theoretical and practical literature, resolutions, declarations and other official documents adopted by UN Agencies, regulations, recommendations and other administrative information, materials on the best practices of other countries, including their relevant reports, laws, legal acts, strategies, concepts, programmes and other official documents adopted in the Republic of Azerbaijan, available reviews and reports were broadly used during the review preparation process, as well as information on the progress made in achieving the SDG targets that are relevant for Azerbaijan, particularly statistics and administrative information on the more challenging indicators which were provided by the SSC, the concerned ministries, and other government bodies.

**Credibility provision:** Various verification methods were used during the review preparation process to ensure the required depth and reliability of the collected administrative information and statistics. In order to ensure accuracy and quality of the review content, both qualitative and quantitative

tools were used, whereas the information sources and conclusions were validated by the working groups, experts and a coordination group.

The review development process could be divided into the given below 3 **stages**:

**Preparation stage:** This stage included the collection, systematization and review of the documents, materials, and information used in the review, as well as identification of the plan, methodology, and discussions with the concerned parties.

**Review development stage:** This stage focused on conducting the required analysis and formulating the consultations, in compliance with a plan approved by the management team, preparation of the summary of the initial results (first draft) and their submission to the concerned authorities, as well as development and submission of the final draft, which incorporated the comments and re-recommendations received.

**Finalization stage:** During this stage, the final draft review was approved by the management team, and the report was circulated to key counterparts.

The review will be submitted by the Government of Azerbaijan at the High-Level Policy Forum and is regarded by the counterparts and stakeholders as the first major document developed in the process of inclusive reporting on the SDGs.

**Emerging challenges:** The challenges faced during the review preparation process were mainly due to unavailability of the information on a number of indicators, or a relevant methodology. In some cases, available information was not disaggregated by gender, age groups, residency (urban/rural), or administrative/regional zones. This has resulted in the limitations in the scope and the depth of analysis, assessment, and conclusions.

### 3. PROGRESS MADE TOWARDS THE MILLENNIUM DEVELOPMENT GOALS

The Republic of Azerbaijan, along with other UN Member States, adopted the Millennium Declaration, which encompassed eight Millennium Development Goals (MDGs), at the UN Millennium Summit held in New York on 6-8 September 2000, which aimed at determining a general framework for creating in positive changes in the lives of people all around the world until 2015.

Like other countries which signed Millennium Declaration, the Republic of Azerbaijan initiated activities on the MDGs, in compliance with national development priorities, including determination of baselines, targets, monitoring indicators and targets, and initiated identification of policy measures to achieve the goals. In order to ensure a purposeful and systematic implementation of the MDGs, a special state commission was set up pursuant to the Decree of the President of the Republic of Azerbaijan dated 2 March, 2001. Chaired by the Prime Minister, the commission was entrusted with the development of the State Programme on Poverty Reduction. An interim document was prepared, within a short period of time. The document was discussed and approved by both national and international partners in July 2001.

The development of the major document was initiated thereafter. To this end, 15 sectoral working groups composing representatives of the government, Academia, research institutions and civil society were set up. A Secretariat consisting of national and international experts was set up under the auspices of the Ministry of Economic Development (presently the Ministry of Economy). As a result, the State Programme of the Republic of Azerbaijan on Poverty Reduction and Economic Development (SPPRED) for 2003-2005 was prepared. The Programme was of a general character and didn't specify the sectors of development, or the regions. Upon the approval of the Programme by the Decree of the President of the Republic of Azerbaijan

on 20 February, 2003, its implementation was successfully finalized.

All the Programme measures had funding sources envisioned in the Middle-term Expenditure Strategy, and monitoring indicators were determined for evaluating and monitoring. While developing the SPPRED, its goals were aligned with the MDGs. The SPPRED covered a three-year period (2003-2005), and each year the undertaken measures were monitored and evaluated. The SPPRED was followed by State Programme on Poverty Reduction and Sustainable Development" (SPPRSD) for 2008-2015, pursuant to the Decree of the President of the Republic of Azerbaijan dated 15 September, 2008. Aligned with the MDGs, the SPPRSD was also successfully implemented.

The implementation of these Programmes was supported by other policy documents, measures and activities. Azerbaijan managed to make visible progress towards the MDGs (see table 3.1). Despite some deficiencies as seen from the Table 3.1 such as a misbalance in the issues on income, rural/ urban, regional and gender (gender balance in the Parliament and senior positions). Azerbaijan made impressive progress in reducing poverty, achieving universal education, reducing maternal and infant mortality, strengthening the fight against dangerous infectious and other diseases, and ensuring environmental sustainability. Furthermore, by paying special attention to the least developed countries, Azerbaijan successfully demonstrated its increasing role in strengthening international cooperation.

The government of Azerbaijan is building on the progress made towards the MDGs and is taking measures aimed at reducing dependence on oil and gas revenues, eliminating gaps in income and gender as well as reducing urban rural disparities.

The Ministry of Economy (former Ministry of Economic Development) was the coordinating

government agency, which was overseeing and monitoring the implementation of the MDGs.

While fulfilling on the MDGs related commitments, the Ministry of Economy closely cooperated with the SSC, concerned ministries and other government institutions, Academia and research institutions, civil society and international development institutions, especially with representative offices of UNDP, WB, and IMF in Azerbaijan. The MDG progress reports were prepared with technical support from UNDP.

The authorities that were in charge for the process of achieving the MDGs encountered

main challenges due to some duplication between local and international partners, weaknesses in collection process of statics and administrative data important for monitoring and evaluation resulting in generating data gaps, especially it refers to data collection on gender issues, age groups, living places (urban/rural), sectors and regional/administrative districts classification (being disaggregated). To eliminate the challenges, the SPPRED Secretariat and working groups, jointly with national counterparts and international partners implemented projects aimed at strengthening the institutional capacities, and those joint interventions were very successful and could be considered as best practices.

**Table 3.1.** Summary of the achievements on MDGs

Goals	The major achievements
Goal 1: Eradicate extreme poverty and hunger	Extreme poverty and hunger are not longer relevant for Azerbaijan. The government policy was aimed at reducing the absolute level of poverty. In accordance with the HBS held by the SSC, the level of absolute poverty reduced from 49.0% to 4.9% in the country during 2001-2015, whereas the level of extreme poverty reduced to the unbelievable level (<0.1).
	During the years of 2003-2015, the share of the poorest quintile consumption increased from 12.2% to 15.4%.
	The share of under-weighted children under 5 years, dropped from 6.8% to 0.6% during 2001-2015.
Goal 2: Achieve universal primary education	The goal has been already achieved. Although the country has high indicators in this area, some of the indicators kept improving in the recent years.
	During 2000-2015, the level of education among 15-24 aged persons has been increased by 100% and the mentioned indicator is similar both for women and men.
	In 2000-2015 years the net enrollment ratio in primary education increased to 99.8%. The mentioned indicator has increased to 99.9% among men and to 99.7% among women.
	In 2000-2015 years the ratio of primary education finalization increased from 92.8% to 100%. This indicator increased to 100% among men and to 99.9% among women.
Goal 3: Promote gender equality and empower women	There is some progress in gender equality in the envisioned targets.
	During 2000-2015, the level of female unemployment reduced more than by twice, decreasing from 12.7% to 5.9%.
	In 2015 year, the Gender Parity Index on education enrollment rate made 0.99, at higher education - 0.99 and secondary education - 1.07.
	During 2000-2015, the number of women in the Parliament increased from 10.7% to 16.8%.

azerbaijan – 2030: from the millennium development goals  
towards the sustainable development goals

Goal 4: Reduce child mortality	During 2000-2015, the infant mortality rate of children up to 5 years among each 1000 live births reduced from 30.5 to 13.3.
	During 2000-2015, the infant mortality rate (out of 1000 live births) reduced from 16.4 to 11.0.
	During 2000-2015, the level of vaccination against measles for 1-year-old children was at 98.1%.
Goal 5: Improve maternal health	During 2000-2015, the maternal mortality level (death rate for every 100,000 live births) decreased from 37.6 to 14.4.
	During 2000-2015, the proportion of birth delivery with the participation of qualified medical personnel has increased from 92.1% to 99.8%.
Goal 6: Combat HIV / AIDS, malaria and other diseases	By the end of 2015, the total number of HIV / AIDS infected people registered in Azerbaijan made 5,629 people, whereas among citizens made 5,439 people, the share of the population living with HIV is 0.06%.
	During 2000-2015, the cases of malaria (per 100,000 populations) decreased from 19.4 to 0.
	During 2000-2015, cases of tuberculosis infection (per 100,000 people) reduced from 178,6 to 101,1; a record rate from 64.5 to 41.9, mortality rate dropped from 5.1 to 14.9.
Goal 7: Ensure environmental sustainability	During 2000-2015, as a result of sustainable afforestation and reforestation activities, the total area of forest land recorded 12.0% of the country's territory. At the same time, in order to protect the biodiversity, the total land area of the protected nature land areas increased by more than 2 times, from the rate of 5% to 10.3% (4298.6 square kilometers to more than 8925.5 square kilometers).
	The share of the population with access to improved drinking water reached 89.2% in 2015.
	The share of the population with access to improved sewerage services increased up to 94.3% in 2015.
	The essential works have been carried out on resettlement of the people living in the uninhabitable living areas (with limited access to normal housing, as well as sewage and other services), especially refugees and internally displaced persons, to houses with the normal living conditions, renovation of such venues and making them inhabitable, cleaning dumps. As a result, the ratio of refugees and displaced persons living in "suitable" places increased up to 60.0% in 2015.
Goal 8: Develop a global partnership for progress	During 2005-2015 the ratio of the Internet users per 100 people increased from 8 to 77.
	During 2005-2015, the ratio of personal computers per 100 people increased from 15.0 to 69.9
	During 2000-2015, the ratio of wired telephone lines per 100 people increased from 10 to 16.
	During 2000-2015, the ratio of mobile phone numbers per 100 people increased from 5.3 to 112.
	During 2000-2015, unemployment rate among youth (15-24) decreased from 22.0% up to 13.4%. This indicator dropped from 25.4% to 15.8% among women.

Source: [2, 5; 6; 11]



At the same time, the capacity of the civil society was strengthened to ensure the CSO's participation in MDGs implementation process. While developing progress reports on the MDGs, the relevant targets and indicators were analyzed. The indicators of each MDG in Azerbaijan were compared with the baseline of 1990. Some important studies which were conducted by the research institutions, contributed to bridging the data gaps during the monitoring processes. All the efforts made by the Government and partners, helped develop capacities required to meet the global development agenda. These capacities and experiences are regarded as a positive step in the process of achieving the SDGs.

The analysis of the MDGs related progress made in Azerbaijan demonstrated the below listed terms achievements:

- By demonstrating political will in achieving the MDGs in Azerbaijan, country-specific targets and indicators on the MDGs were identified and integrated into the national development strategy via adoption of the state programmes (SPPRED and SPPRSD);

- By demonstrating political will in efficient spending of the oil revenue, the State Oil Fund

of the Republic of Azerbaijan was established and a "Long-term strategy for the management of oil and gas revenues" was adopted;

- Azerbaijan has a comparative advantage in human resources. The country's overall literacy rate is high and the government is taking additional measures to investment in human capital. "The State Programme on Education of Azerbaijani Youth Abroad for 2007-2015" was approved by the Presidential Decree dated 16 April 2007. The Programme was successfully implemented;

- The implementation process of the SPPRED and SPPRSD helped Government of Azerbaijan strengthen fruitful cooperation with international development partners;

- Azerbaijan demonstrated its determination in promoting good governance and adopted additional national MDG. The Government of Azerbaijan involved civil society in the process of achieving the MDGs and created viable partnership with the CSOs.

Encouraged by the progress made towards the MDGs, the Government of Azerbaijan is determined to apply the experience in the SDGs implementation process.

## 4. SUSTAINABLE DEVELOPMENT ISSUES IN THE DEVELOPMENT AGENDA OF THE REPUBLIC OF AZERBAIJAN

### 4.1. INITIAL SITUATIONS AND CONDITIONS

Along with specific target-oriented measures, there are a number of general factors including baseline and initial conditions, which affect the achievement of SDGs.

**Background.** Upon restoration of independence in 1991, Azerbaijan went through a dynamic development process where it transitioned from planned to market economy and became an upper-middle-income country. Benefiting from growth that was triggered by revenues obtained from oil and gas exploration and export within two last decades, it remained one of the most rapidly developing economies in the world and it took a few years to become a country with proven success in the region.

The efforts made in 2001-2015 by Azerbaijan with a view to attain MDGs boosted further socio-economic development in Azerbaijan. Within this period, the poverty rate dropped from 49% to 4.9%, and extreme poverty and hunger was eradicated (the situation in this area is similar to that in developed countries where the share of undernourished population amounts to less than 5% of total population. Compared to 2000, the life expectancy at birth, mean years of schooling and expected years of schooling in Azerbaijan rose in 2015 by 3.4 years, 0.6 years and 2.3 years respectively. In 2010, Azerbaijan was removed from the group of medium human development countries and included in high human development group. In 2014 and 2015, Azerbaijan ranked 78<sup>th</sup> among 188 countries for Human Development Index (0.751 in 2014 and 0.759 in 2015). Azerbaijan's HDI has exceeded mean HDI of European and Central Asian countries since 2010. Azerbaijan's HDI was 0.759 in 2015, while the figure was 0.756 for European and Central Asian countries [15].

#### **Initial political and socio-economic conditions.**

During the early years of independence, the socio-economic development of the Republic of Azerbaijan was strongly affected by the political and socio-economic processes that followed the collapse of the Soviet Union. Transition processes led to a decline in the production output, a decrease in the number of jobs, a rise in the inflation rate, and aggravated socio-economic problems in the Republic of Azerbaijan, like in all post-socialist countries, thereby causing a sharp decline in the income and living standards of the population. According to the SSC data, GDP dropped by 52.5%, industrial production by 61.7%, agricultural production by 41.3% and consumption by 86.5% in 1994 compared to 1990; gold and foreign exchange reserves of the country depleted and the annual inflation stood at 1,763.5%. As a result, the real average monthly wages of those employed in the country dropped by 83.7% and per capita real monetary income dropped by 3.9 times.

During this period, the Republic of Azerbaijan experienced severe political (political instability in 1991-1993), military (military aggression of Armenia against Azerbaijan) and economic problems (sudden interruption of decades-long trade and industrial relations between the former allied republics led to a sharp decline in production, most enterprises had to limit or stop their operations, huge number of workers were dismissed, salaries and wages that made up the main portion of the population's income dropped in real terms and the inflation escalated into hyperinflation) that added to the existing difficult situation.

Taking advantage of the political developments and chaos in late 1980s, Armenia launched a planned ethnic cleansing and a forcible deportation of more than 350,000 Azerbaijanis from their historical permanent places of



residence (from the present Republic of Armenia) that turned them to refugees. Simultaneously, Armenia committed a military aggression against Azerbaijan in early 1990s and occupied 20% of its territories (former Nagorno-Karabakh Autonomous region and 7 surrounding districts). More than 789,000 people from the occupied territories of Azerbaijan and more than 110,600 people from the settlements bordering Armenia and occupied territories were forced to leave their permanent places of residence before becoming IDPs. During this military aggression, 20,000 Azerbaijanis were killed, 100,000 were injured, 50,000 became disabled, more than 6,000 went missing or taken hostage and more than a million Azerbaijanis were ousted from their historically native places of residence and thus became refugees or IDPs. Armenian military forces completely destroyed 900 settlements, 150,000 houses, 7,000 public buildings, 693 schools, 855 kindergartens, 11 vocational schools, 9 colleges, 1 higher educational institution, 2 branches of higher educational institutions, 695 healthcare facilities, 927 libraries, 44 temples, 9 mosques, 473 historical monuments, palaces and museums, 40,000 museum exhibits, 6,000 industrial and agricultural enterprises, 2,670 km long highways, 160 bridges, 2,300 km long water pipelines, 2,000 km long gas pipelines, 1,200 km long irrigation schemes and 15,000 km long electricity lines. 280,000 ha of forests and 1 million ha of farming lands became useless due to the invasion. According to the estimates made, with contribution of international experts, by a Working Group of 15 members formed under the Cabinet of Ministers' Resolution No. 51s of February 26, 2014, the pecuniary and non-pecuniary damages suffered by Azerbaijan as a result of Armenia's military aggression amount to hundreds of billions of US dollars [24].

In addition to the pecuniary and non-pecuniary damage, more than 1 million people expelled from their native lands lost their jobs thereby leading to emergence of an "army" of unemployed in the country and, naturally, this affected the unemployment rate and ultimately the poverty rate in the country (the absolute poverty rate among IDPs was 63.0% in

2001 [5]). As a result, literacy, healthcare and employment rates among refugees and IDPs dropped below the average for the country, which had an adverse effect on the human development in the country.

The ongoing aggression policy of Armenia continues to hamper Azerbaijan's ability to make greater achievements. Besides, Armenia's aggressive policy has resulted in a fragmentation in the region thereby impeding full realization of the capacity of cooperation in the region.

**Demographics.** As is known, demographic processes have a significant impact on the socio-economic development of a country. According to the analyses performed, the socio-economic reforms implemented in the Republic of Azerbaijan following restoration of its independence and in the past 20 years in particular, improved the demographic situation of the country, increased the average life expectancy and enabled a positive net migration rate. According to the SSC data, the population in the country grew by 22.1% compared to 2000 (at an average annual growth rate of 1.23%) and reached 9,810,000 by the beginning of 2017, thereby exceeding the preceding year by 1.08% (9,705,600 people in 2016). As per the data for the beginning of 2017, 49.86% of the population are male, 50.14% are female, and 53.0 % live in urban areas while 47.0% live in rural areas. The number of urban population has increased by 26.58% and rural population by 17.46% in 2000-2017 [27]. In the reporting period, the growth rate of urban population exceeded that of rural population thus indicating the acceleration of urbanization processes in the country.

The Republic of Azerbaijan is one of few countries with young age structure among European and CIS countries. According to the SSC data for early 2017, the share of young people (aged 15-29) in the age structure of the population was 25.0% (26.0% in 2000) and 22.6% for children (aged 0-14 years) (31.7% in 2000) (**Figure 4.1**).

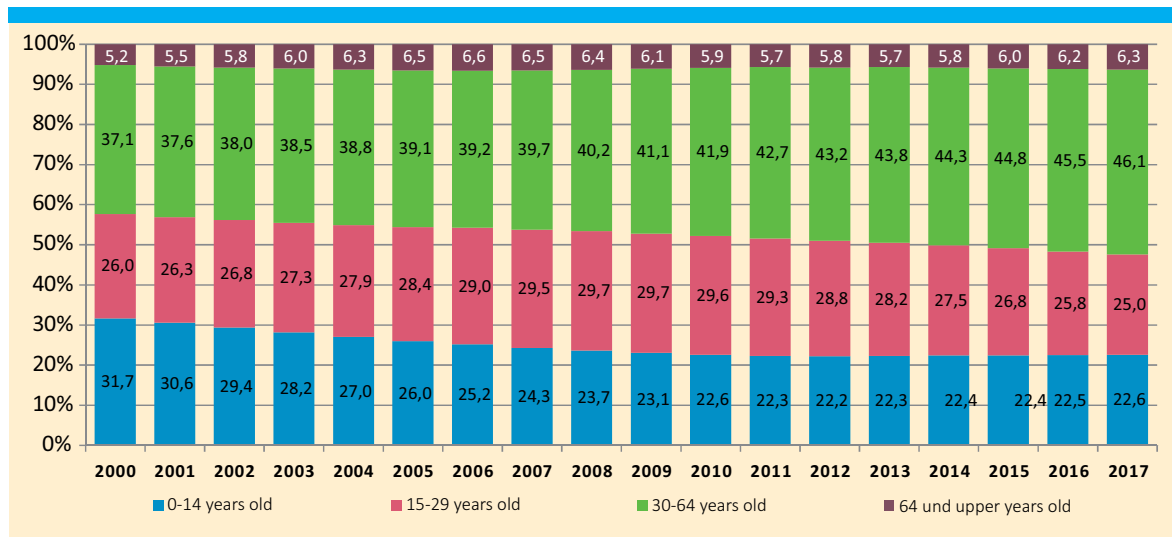
Figure 4.1 shows that the share of children (0-14 years) fell by 9.1 percentages in 2000-2017.

This decline was constant up to 2012, followed by an upward trend since 2013 and as a result, there was an increase of 0.4 percentage points in 2017 as opposed to 2012. Moreover, the share of people aged 65 and over increased by 1.1 percentages from 5.2% to 6.3% in 2000 - 2017, which characterizes the population's aging trend. The share of population for the age group of 15-64 went up by 8.0 percentages (considerably) from 63.1% to 71.1% in the mentioned period. This increase was constant up to 2012, followed by a downward trend since 2013 and as a result, there was a decline of 1.0 percentage in 2017 compared to 2012.

The higher birth rate per 1,000 population (16.85 persons per year in average) in the country and the lower death rate (5.94 persons per year in average) in 2000-2015 ensured high natural increase rate of population (10.9 persons per year in average). These figures in 2016 were 16.5, 5.9 and 10.6 persons respectively (**Figure 4.2**).

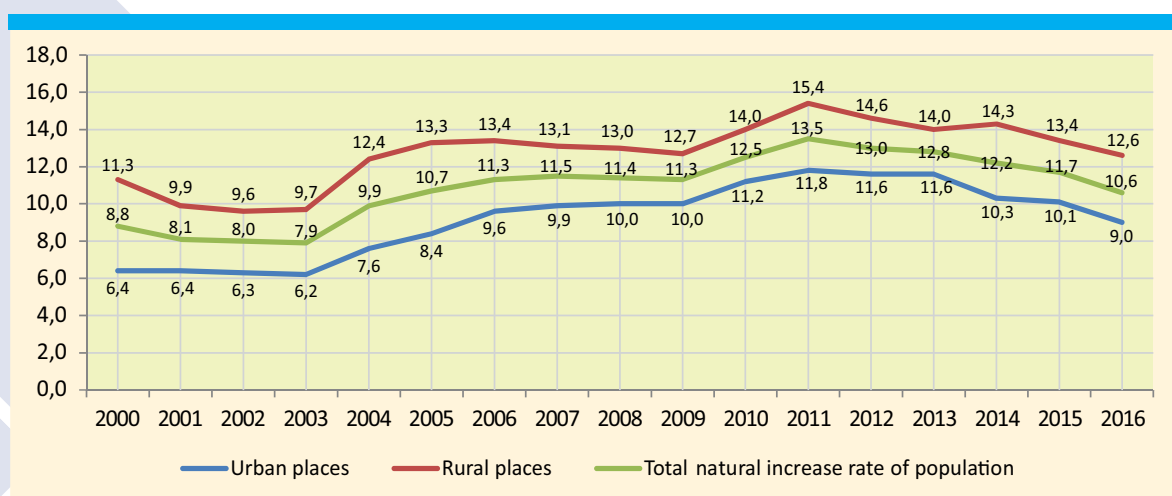
The nationwide socio-economic progress, improvement of population's social welfare and the healthcare system development has had a positive impact on birth rates leading to a gradual increase since 2003.

**Figure 4.1.** Population dynamics by age (beginning of the year, to total population, %)



Source: SSC [2].

**Figure 4.2.** Natural increase rate of population (per 1000 person)



Source: SSC [2; 3].

Specifically, within this period, the total fertility rate rose from 1.9 to 2.1 in 2015 (Table 4.1). In light of the above mentioned trends and the changes in the number of women of reproductive age and the age structure, the

number of births per 1,000 population increased from 13.7 (2001) to 13.9 in 2003, and to 17.4 in 2015. This rate went down to 16.5 persons due to a slight decline in the number of births and a minor rise in the number of deaths in 2016 [27].

**Table 4.1.** Fertility ratio (average number of births per one woman)

	2000	2005	2010	2011	2012	2013	2014	2015	2016
Total	2.0	2.3	2.3	2.4	2.3	2.2	2.2	2.1	2.0
Urban	1.6	2.1	2.1	2.2	2.2	2.1	2.0	2.0	1.9
Rural	2.2	2.5	2.5	2.6	2.5	2.3	2.4	2.2	2.2

Source: SSC [27].

Besides, an increase is observed in the number of male births in the sex ratio of live births (114 boys to 100 girls in 2016 [27]). This is considered to be related to sex-based selection during pregnancy and is a matter of concern.

The fact that the number of deaths per 1,000 population was averagely 2.8 times lower than the number of births and the downward trend in the number of deaths (the number of deaths per 1,000 population dropped from 6.2 to 5.9 between 2005 and 2016) also had a positive impact on the population increase.

According to 2016 data, the most common death causes are the followings: cardiovascular diseases – 60.2%, neoplasms – 14.6%, digestive diseases – 4.9%, injury, poisoning and certain other consequences of external causes - 4.8%, respiratory diseases – 3.2%.

The positive trends observed with respect to decreased death rate of population led to an increase in the life expectancy at birth. Specifically, this indicator, which was 71.1 years in 1990 (male – 67.0, female 74.8), had risen to 71.8 (male – 68.6, female – 75.1) in 2000 and 75.2 (male – 72.7, female – 77.6) in 2015. The figures remained unchanged in 2016 except for a 0.1% increase for males (72.8 years).

Recent years have seen a tendency to move from large families to medium families. Specifically, according to census data of 1999 and 2009, despite a 2.8% increase in the number of families (households) with children under the age of 18, number of families

(households) with 3 children dropped by 19.7%, and the number of families (households) with 4 and more children dropped by 40.8% by 2009 equalling 261,900 and 126,700 respectively. During this period, there was a significant decrease in the share of families with 3 or more children (households). That is, the share of families with 3 children decreased from 25.5% to 19.9%, while the share of families with 4 children went down from 16.7% to 9.7%.

In early 1990s, the emigration intensity was quite notable. But in subsequent years, as a result of measures aimed at the country's sustainable socio-economic growth, regional development, creation of vast opportunities for entrepreneurs and new jobs, improvement of the social welfare of citizens and the well-being of the population as a whole, the net migration rate became positive in 2008 and thus equalled 1,100 persons in 2015.

**Macroeconomic situation.** The Republic of Azerbaijan regained its macroeconomic stability in 1996 as a result of stabilization policy pursued since 1994 and its dynamic growth started in 1997. The goal-oriented policy carried out in subsequent years with a view to further strengthen the economic stability and revive the non-oil sector along with the oil industry ensured the sustainability of dynamic economic growth in the country. According to the SSC data (**Figure 4.3**), real GDP of the country grew by 4.5 times in 2001-2014 and equalled 59.01 billion AZN while non-oil GDP increased fourfold reaching 36.2 billion AZN. Although nominal GDP decreased by 4.6 billion

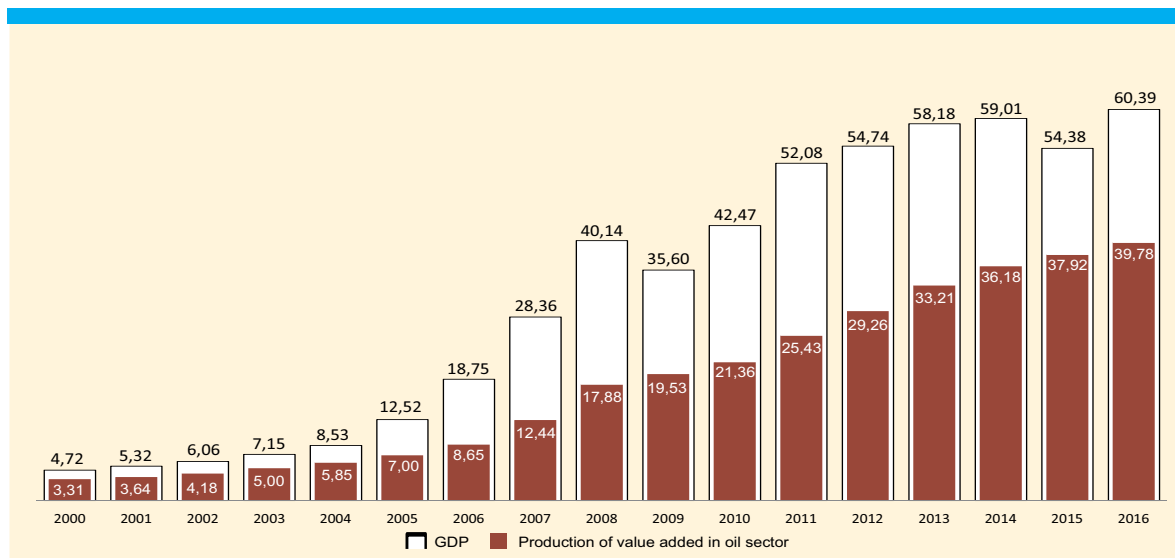
## AZERBAIJAN – 2030: FROM THE MILLENNIUM DEVELOPMENT GOALS TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS

AZN in 2015 due to steep decline in oil prices in global market, real GDP increased by 1.1 percent thanks to increased growth rate of non-oil industry. Nominal GDP rose by 6.01 billion AZN in 2016 reaching 60.39 billion AZN while real GDP decreased by 3.1 percent due to the above-mentioned reason. The GDP dependence on oil sector started to fade away in 2008 and this process gained pace over the past 5 years. Specifically, while the share of oil sector in

GDP grew from 29.9 percent to 56.1 percent in 2000-2007, it shrank to 30.3 percent in the period from 2008 to 2015. The 3.8 percent increase of this figure in 2016 (34.1 percent) can be attributed to some growth in oil prices in the world market in the same year.

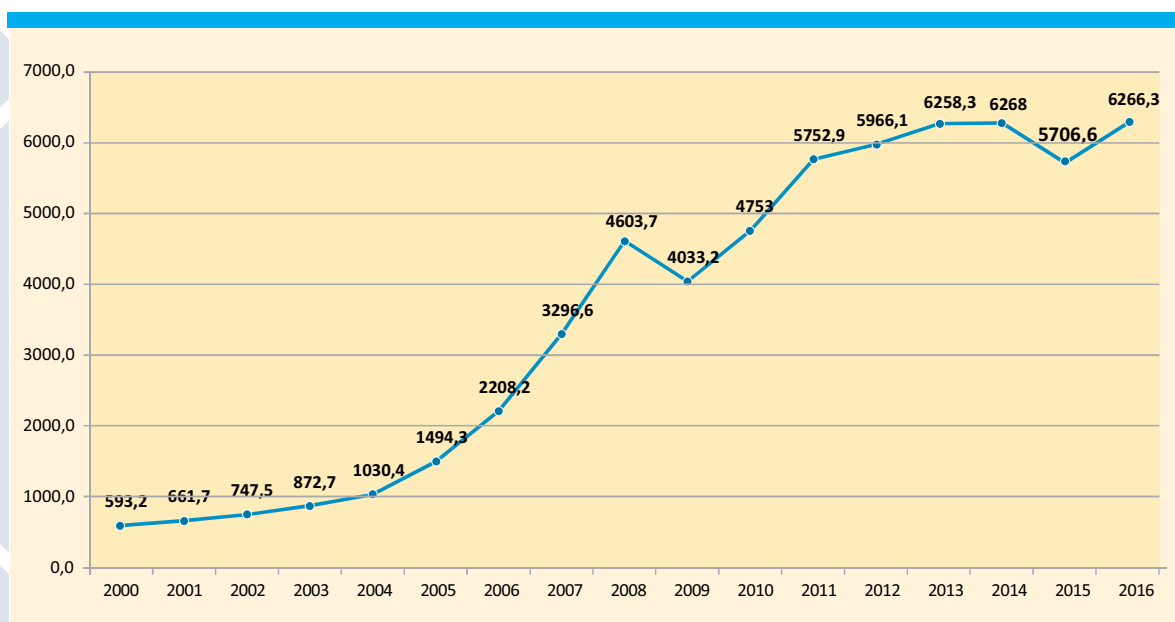
Real GDP per capita increased by 3.8 percent in 2001-2014 to reach 6268.0 AZN (7990.8 USD) in 2014 (**Figure 4.4**).

**Figure 4.3.** GDP production in 2000-2016 years (bln AZN)



Source: SSC [2: 3].

**Figure 4.4.** GDP per capital (AZN)



Source: SSC [2].

Due to the above-mentioned reason, nominal GDP per capita decreased by 8.96 percent in 2015 compared to 2014, but rose by 9.8 percent in 2016 compared to 2015 to reach 6266.3 AZN.

In addition, the analysis shows that considerably large share of “Mineral fuel, oil and oil products” in the commodity structure of exports of the country (in average, 88.7 percent in 2000-2015, 87.0 percent in 2016) leads to high sensitivity of national economy to the fluctuations of global oil prices and consequently the changes in oil and gas revenues.

The aforesaid shows that there is a need to strengthen efforts to increase the national production and export volumes through the enhancement of the non-oil sector’s production and export capacity, acceleration of diversification of export portfolio and improvement of competitiveness in non-oil sector.

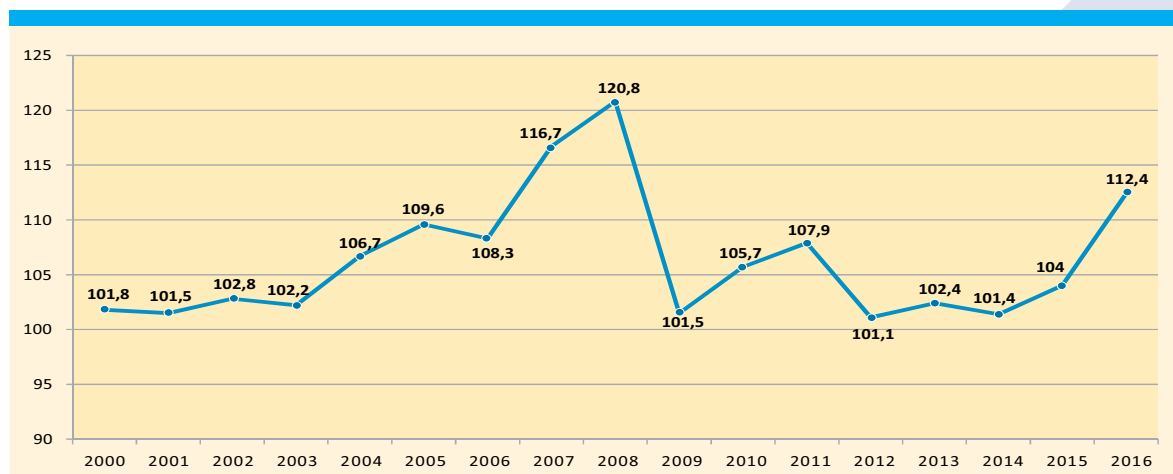
The government has taken a range of measures in recent years in order to minimize the adverse effects of rapid economic development and growing oil and gas revenues on the level of inflation. In line with the Decree “On strengthening of anti-inflationary measures in the Republic of Azerbaijan” of the President of the Republic of Azerbaijan, dated May 31, 2005, close relation between economic and social development indicators of the country and state budget

expenditures was maintained. The government also took necessary measures to ensure that the budget is drawn up based on targeted programs. As a result, the inflation rate in the country was attained at a managed level (single digit) during 2000-2015, except some deviation in the period of global financial crisis in 2007-2008, even at a range of 1-3 percent in some years.

Inflation rate has increased to some extent due to negative economic processes starting from 2015. Specifically, the consumer price index increased by 8.4 percent in 2016 compared to 2015 (**Figure 4.5**). In this regard, the task to improve macroeconomic stability became a priority and goal-oriented actions are underway in this area.

Investment and structural policy plays a significant role in the social and economic development of the country. The analysis of data presented in Figure 4.2 shows that 212.5 billion USD was invested in national economy in the period of 2000-2015 with the purpose to improve the national economic potential and efficient use of this potential. The shares of foreign and domestic investments in this figure were 47.7 percent and 52.3 percent, respectively. Compared to 2000, the total amount invested in national economy in 2015 (2014) increased by 13.6 times (19.4 times) with foreign and domestic investments increasing by 11.6 times (12.6 times) and 17.2 times (31.5 times), respectively.

**Figure 4.5.** Consumer price index dynamics in comparison to the previous years, %



Source: SSC [2; 27].

Notably, the domestic investment capacity of the country increased even more rapidly in the reporting period. As a result, share of domestic investments in total investments during 2000-2015 (2000-2014) rose from 35.7 percent to 45.2 percent (58.1 percent).

Meanwhile, it should be noted that the amount of total investments in national economy decreased by 30 percent in 2015 due to steep decline in oil prices. The decline in foreign and local investments was 8.4 percent and 45.5 percent, respectively. It can be concluded that greater focus should be laid on the improvement of investment activity.

**Development of entrepreneurship.** The growth of entrepreneurship is one of the key directions of the social and economic development strategy of the Government of Azerbaijan. Necessary legal framework, institutional and economic mechanisms and

market infrastructure facilities were established in Azerbaijan following the restoration of the state independence. These include laws and other legislative acts related to the growth of entrepreneurship, as well as privatization of state properties and state programs contributing to the development of small and medium-size enterprises. Important measures related to the regulation of the economy and entrepreneurial activities were carried out based on these laws and programs. The government established relevant agencies to provide financial support and technical assistance (consultation, information provision and other services) to entrepreneurship. In order to reduce the tax burden on entrepreneurs, profit and value-added tax rates, and compulsory insurance premiums were reduced. The government also introduced simplified tax on small businesses based on their turnover.

**Table 4.2.** Investments to the country's economy

	Total investments		Domestic investments		Foreing investments	
	Mln. US dollars	%	Mln. US dollars	%	Mln. US dollars	%
2000	1441.4	100	514.4	35.7	927	64.3
2005	7118.5	100	2 225.3	31.3	4 893.2	68.7
2010	17591.4	100	9343.6	53.1	8 247.8	46.9
2014	27907.5	100	16209.8	58.1	11697.7	41.9
2015	19547.2	100	8828.1	45.2	10719.1	54.8
2000-2015	212542.2	100	111212.3	52.3	101329.9	47.7

Source: SSC [2; 27].

Some of the achievements in entrepreneurship growth in the country are as follows:

- *Ensured consistency in actions aimed at the development of entrepreneurship.* The state programs adopted for the development of entrepreneurship in the country ensured consistency in actions taken in the development of this field and directed these actions to the implementation of common strategy. In addition, the protection and development of entrepreneurship was coordinated within the state system.

- *Major principles regulating the government-business relations identified.* The growth of entrepreneurship based on major directions and principles of the public strategy on long-term social and economic development is based on the establishment of a new system of economic relations. The said principles constitute the responsibilities taken by the state with respect to the development of entrepreneurship and major aspects of the responsibilities of the businesses before the society. These aspects include the state guarantee to provide a social and economic environment allowing the protection of private

property and individual freedom to become principal values, as well as the perception and fulfilment of social and legal responsibilities of the businesses before the state.

– *State-business relations institutionalized.*

Ensuring of sustainable development of the entrepreneurship in the country necessitated the institutional organization of partnership between the state and business. The mechanisms developed in this regard (Azerbaijan Export and Investment Promotion Foundation, Azerbaijan Investment Company, National Fund for Entrepreneurship Support, Baku Business Training Center and National Confederation of Entrepreneurs (Employers) Organizations etc.) are playing a significant role in the development of state-business relations in an orderly manner.

As a result of measures taken, the policies and regulations governing the business activities in the country were liberalized considerably, the process of registering a business became simple thanks to the implementation of the “one stop shop” system, business climate for entrepreneurs was improved significantly, the mechanism of governmental support to the entrepreneurship, including small and medium-sized enterprises was improved, import and export procedures were simplified, export duties were eliminated and corporate tax rate was reduced to 20 percent and operational mechanisms of the protection of the rights of business owners were developed.

The registration of businesses in Azerbaijan under the “one stop shop” principle started in 2008. Consequently, the number of procedures to start a business was reduced from 13 to 2 for commercial legal entities and the period necessary for such registration decreased from 53 days to 1 day. The number of documents required for the registration was reduced by 5 times. With the introduction of e-registration process for individual entrepreneurs in July 2011, the time spent for registration was reduced from 2 days to a couple of minutes, ultimately leading to an increase of share of e-registration. “E-registration” system for for-profit legal entities was launched in February 2012, as a continuation of these reforms. The

system allowed to reduce the number of days required for the registration of limited-liability companies with local share interests from 3 days to one day in case of simple e-registration, and up to a couple of minutes in case of rapid e-registration.

In 2010 the maximum threshold of income tax for individuals running businesses without establishing a legal entity was reduced from 35 percent to 20 percent in order to even the tax burden between legal entities and the individual entrepreneurs and stimulate the entrepreneurship. This common rate serves for the development of individual entrepreneurs and protection of their interests.

Following the amendments to the Tax Code aimed at further modernizing the tax administration, the application of e-tax invoices started from January 1, 2010. As a result of these actions, a large entrepreneurial layer was established in all fields of the national economy and the share of non-oil sector in GDP, tax revenues and employment in 2016 reached 83.7 percent, 72.8 percent and 75.4 percent, respectively [Ministry of Taxes].

The government continues its policy with the view to further strengthen and improve these achievements and ensure the sustainable development of entrepreneurship. Presidential Decree “On strategic Road map for the manufacture of small and medium entrepreneurship-level consumer goods” dated December 6, 2016, should be emphasized in this regard. This document identified the key priorities for the short-term (up to 2020), medium-term (up to 2025) and long-term (beyond 2025) development of small and medium-size entrepreneurship. The following were set as strategic targets for the development of the SMEs in the country:

- further improve business climate and regulatory framework in the country in order to increase SME’s contribution to Azerbaijan’s GDP in the long run;
- ensure efficient and cost-effective access to financial resources in order to establish sustainable network of the SMEs;



- internationalize the SMEs' activity and increase access thereof to international markets in order to increase foreign exchange reserves and bring domestically produced products into line with international standards;
- increase supply of high-quality products and services in regional markets with special emphasis on training of qualified labor force and improvement of skills of the SMEs;
- promote innovations to boost competitiveness of the SMEs and strengthen research and development in this field.

The next activities to ensure the reconstruction of national economy include acceleration of the development of entrepreneurship, strengthening of its role in solving social and economic problems of the country, adjustment of its operation to address the development requirements of the national economy, expansion of coverage of state support measures in this regard and further improvement of their target-oriented, as well as full and effective realization of existing capacity in the development of regional entrepreneurship.

**Country ranking.** Social and economic achievements of the country received positive assessment by respectable international organizations. Specifically, amid global financial and economic turmoil that started in the second half of 2008, "Standard & Poors" reviewed the ratings of some countries (Russia, Kazakhstan, China, Spain, Greece and etc.) and Azerbaijan was the first country to have a rating upgrade. In December 2008, "Standard & Poors" assigned "B" to short-term foreign and local currency sovereign credits of Azerbaijan while long-term sovereign credit rating was set at "BB+". Economic outlook was changed from "stable" to "positive" in December 2009, and upgraded to "BBB-" in 2011. It has remained at this level since May 2015. Also, rating agency "Fitch" upgraded foreign and local currency sovereign credit rating for the country to "BBB-" in May 2010. The agency assigned "F3" for short-term credits with "stable" economic outlook. The rating was maintained at this level during the assessments in 2011-2014.

"Moody's" rating agency assigned "Ba1" for Azerbaijan in 2006-2011 with "stable" economic outlook in 2006. The outlook was later changed to "positive" in 2007-2011. Later, the agency upgraded country's long-term credit rating to "Baa3" in 2012-2014 with "stable" outlook.

"BBB-" and "Baa3" ratings issued by these agencies is the indicator of rising trust of international financial institutions towards Azerbaijan. These ratings also facilitated the improvement of creditworthiness of the country, necessary environment for the government and large companies to issue securities to raise funds from international financial markets, reduction of interest rates and insurance premiums on government-backed loans, subsequently easing access to international capital markets, rising foreign direct investments, reducing the cost of finance and improving country's reputation at international scale.

**"Doing Business 2015" report** ranked Azerbaijan 8<sup>th</sup> in the list of top 10 reformer countries. That is, the report particularly underlined the reforms carried out in "Registering property", "starting a business" and "paying taxes" in 2013-2014 and presented the country as a good example. "Doing business" report also named 19 reforms orderly realized in 9 fields ("starting a business", "dealing with construction permits", "registering property", "getting credit", "protecting investors", "paying taxes", "enforcing contracts", "trading across borders" and "Recruiting") starting from 2007.

Azerbaijan was ranked the 63<sup>rd</sup> in "Doing Business 2016" report where the achievements of the country in "starting a business", "dealing with construction permits" and "protecting minority investors" were praised.

**According to the UNDP's Human Development Report,** Azerbaijan moved up from medium human development group to high human development group in 2010. Human Development Reports 2015 and 2016 ranked Azerbaijan 78<sup>th</sup> among 188 countries and territories in Human Development Index (0,751 in 2014, 0,759 in 2015). HDI of Azerbaijan has been above the average indicator of Europe and



Central Asia (in 2015 HDI value stood at 0,759 in Azerbaijan and 0,756 in Europe and Central Asia) [15].

**“Global Competitiveness Index 2016-2017”  
report released by World Economic Forum**

ranked Azerbaijan 39<sup>th</sup> in macroeconomic environment and 37<sup>th</sup> in “gross national savings as a percentage of GDP”, 41<sup>st</sup> in “gross public debt as a percentage of GDP”, the 3<sup>rd</sup> in “number of procedures to start a business”, the 9<sup>th</sup> in “number of days to start a business” and the 26<sup>th</sup> in “labor market efficiency”. The country stood 37<sup>th</sup> among 138 countries in the last report while it was only 64<sup>th</sup> among 138 countries in 2006. It is worth noting that Azerbaijan has retained its leading position among CIS countries for the past 7 years in the mentioned report.

**“Global Innovation Index 2016” report**

ranked Azerbaijan 85<sup>th</sup> among 128 countries. The country ranked 93<sup>rd</sup> in “human capital and research capacity”, 123<sup>rd</sup> in “business sophistication” and 101<sup>st</sup> in “knowledge and technology output”. “Ease of starting a business” (7), “microfinance gross loans as a percentage of GDP” (11), “investments” (13), “domestic market development” (27), “GDP divided to unit of energy use” (29), “ICT and organizational model

creation” (29) and “ease of protecting minority investors” (35) are some of the country strengths identified by the report.

## 4.2. POLICY MEASURES ON TRANSITION TO SUSTAINABLE DEVELOPMENT MODEL

The analysis shows that the sustainable development model was launched in Azerbaijan in the process of implementation of the MDGs. In particular, the State Program on Poverty Reduction and Economic Development (SPPRED) and the State Program on Poverty Reduction and Sustainable Development (SPPRSD), which have been adopted for the implementation of the MDGs, are based on the sustainable development concept. In order to ensure the fulfillment of the goals stipulated by these programs, important reforms have been conducted in the country, an appropriate legislative framework has been developed, and a number of strategies and state programs have been adopted and carried out in various fields.

During the period under review, the laws of Republic of Azerbaijan on “Minimum living standards”, “Targeted state social assistance”,

**Strategic goals of SPPRED:**

- Create favorable conditions for higher income generation;
- Maintain macroeconomic stability;
- Improve basic healthcare and education services quality and provide equal access;
- Improve infrastructure (including roads, utilities, communication, melioration etc.);
- Implement relevant reforms in current social protection system for better protection of vulnerable groups;
- Improve living of refugees and IDPs.

**Strategic goals of SPPRSD:**

- Maintain macroeconomic stability and ensure sustainable development through balanced non-oil sector development ;
- Enhance income generation opportunities for people, considerably reduce poor population ;
- Reduce social risk for the elderly, low income population and socially vulnerable groups through development of efficient social protection system;
- Continue comprehensive actions to improve living standards of refugees and IDPs;
- Improve basic healthcare and education services quality and provide equal access;
- Develop social infrastructure, improve utilities services;
- Improve environmental conditions, ensure sustainable environmental management;
- Support gender equality;
- Continue institutional reforms and improve governance in public sector.

“Social benefits” and “Labor pension”, as well as other regulatory documents were adopted to strengthen the social protection of low-income segments of the population. To provide employment for the country’s able-bodied population, the “Employment Strategy of the Republic of Azerbaijan” was adopted, along with two state programs (for 2007-2010 and 2011-2015) adopted for its implementation, and work has been carried out on their basis to improve labor market regulation, stimulate the demand for workforce, develop the human capital, provide employment for socially vulnerable population groups, and strengthen the social protection of jobseekers and unemployed persons.

During the period of implementation of the MDGs, three state programs (for 2004-2008, 2009-2013 and 2014-2018) were adopted in the country on social and economic development of the regions. Within the framework of these programs, important work has been carried out in the areas such as industrial and agricultural development, improvement of electricity, heat and gas supply, communications, water supply and sanitation services, use of the environment and natural resources, and construction and reconstruction of education, health, culture and sports facilities, which are factors that propel the sustainable development in the country.

During the period under review, a number of state programs, shown below, were adopted and implemented in the education sector in Azerbaijan: Program on the construction of new secondary schools, major repairs of the existing schools and providing them with modern educational equipment (for 2003-2007); Program for the modernization of preschool education (for 2007-2010); State Program on the placement of children from state childcare institutions into foster families (deinstitutionalization) and alternative care (for 2006-2015); Program for providing secondary schools with information and communication technologies (for 2005-2007); State Program on the informatization of the education system (for 2008-2012); State Program for the development of vocational education

(2007-2012); State Program for reforming the higher education system (2009-2013); State Program on overseas education of Azerbaijani youth for 2007-2015; State Program for the implementation of the National Strategy for the development of science (2009-2015); National Strategy for the development of education; etc. Along with the creation of a modern legal and normative framework for education in the country, a series of projects were implemented during this period with the aim of applying the basic principles arising from the Bologna Declaration in the field of higher education, updating the education infrastructure, improving the provision of educational institutions with modern information, scientific and methodological support and textbooks, providing remote rural schools with the necessary pedagogical personnel, and modernizing the preschool and vocational education services.

During the period under review, a number of laws and programs, shown below, were adopted and implemented as priority areas of healthcare: the laws of Azerbaijan Republic “On state care for people with diabetes mellitus”, “On medicines” and “On circulation of drugs, psychotropic substances and their precursors”; the Action Programs for 2011-2015 “On diabetes mellitus”, “On tuberculosis control”, “On treatment and prevention of thalassemia”, “On hemophilia”, etc.; the Strategy on combating non-infectious diseases in Azerbaijan Republic for 2015-2020, etc. As a result of the reforms implemented in the field of healthcare, patients suffering from diabetes mellitus, chronic renal failure, hereditary blood and infectious diseases have been receiving free medicines and treatment at public expense in state-funded medical institutions since February 1, 2008. Appropriate measures have been carried out in the country in the field of detection and prevention of HIV and treatment of HIV-infected people, and the Law “On combating disease caused by human immunodeficiency virus” and the Action Programs “On immunoprophylaxis of infectious diseases for 2011-2015” and “On combating HIV/AIDS for 2016-2020” have been adopted. Currently, there is a network of medical facilities equipped with modern equipment and combating HIV infection in the country, including the

Republican AIDS Control Center and antiretroviral therapy centers in the cities and regions.

Given the environment's impact on the health of the population and thus an indirect impact on their welfare, necessary laws and policy documents have been adopted and appropriate measures are being undertaken in this direction. It deserves special mention that there has been continuing forestation across the country in this period, and forest amelioration measures have been carried out. During 2008-2015, reforestation measures were carried out on 83 877 hectares of land, including forest planting and sowing works on 25 300 hectares of land, and about 53.2 million trees were planted.

The government of Azerbaijan takes meaningful steps on a regular basis to consolidate and further increase the achievements obtained in the process of implementing the MDGs on transition to a sustainable development model. In this context, the adoption and implementation of the following policy documents are of great importance:

- “Azerbaijan 2020: Look into the Future” Development Concept. This document has been prepared with the participation of experts and on the basis of broad public discussions and approved under the Decree dated December 29, 2012 of the President of Azerbaijan Republic. The following are the main priorities of the “Azerbaijan 2020: Look into the Future” Development Concept: Formation of a highly competitive economy (formation of an economic model based on effective state regulation and mature market relations; improving the structure of the economy; development of the non-oil sector; supporting scientific potential and innovation activities; improvement of the transport, transit and logistics infrastructure; balanced development of regions); development of information and communication technologies and ensuring transition to the information society; development of human capital and establishment of an effective social protection system (protection of public health and improvement of the healthcare system; formation of a modern education system; improvement of the social protection

system; ensuring gender equality and family development; development of youth potential and sports); improvement of legislation and strengthening the institutional capacity; development of civil society; protection and effective management of cultural heritage; environmental protection and ensuring environmental balance.

- A total of 12 strategic roadmaps for the development of the national economy and its 11 priority sectors (oil and gas industry (including chemical products); agricultural production and processing; consumer goods production at the level of SMEs; heavy industry and mechanical engineering; specialized tourism industry; logistics and trade; provision of affordable housing; vocational education and training; financial services; telecommunications and information technologies, utilities (electricity and heating energy, water and gas)) approved in accordance with the Decree dated December 06, 2016 of the President of Azerbaijan Republic “On approval of strategic roadmaps for the national economy and main economic sectors”. The strategic roadmaps cover short, medium and long-term periods and consist of the development strategy and action plan for the period until 2020, a long-term vision for the period until 2025 and a target vision for the period beyond 2025. These documents cover not only development goals and principles, but also global trends in each area, 360-degree diagnostics of the economy and SWOT-analysis of the current situation, actions to be taken, required investment and result indicators. By focusing on the selected priorities in the short term, foundations will be laid for the medium and long-term economic development. The Strategic Roadmap will provide all factors that contribute to economic development, including opportunities for communication and cooperation with local and international private sector representatives. State investments will play a catalytic role and the private sector will be the driving force of economic development.

Besides, a number of cooperation documents have been signed with international partners, in which special attention is paid to sustainable development issues. Signed in Baku on July

12, 2016, the United Nations-Azerbaijan Partnership Framework (UNAPF) for 2016-2020 can be cited as one of the most universal of these documents. In preparing the UNAPF, the national priorities specified in the “Azerbaijan 2020: Look into the Future” Development Concept and the SDGs defined for the period beyond 2015 were taken into account. The document specifies three interrelated strategic priority areas: i) promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; ii) strengthening institutional capacities and effective public and social services; and iii) improving environmental management and resilience to hazards and disasters.

Within these priorities, cross-cutting issues of a human rights-based approach; gender equality; youth; specific capacity development for monitoring and evaluation (e.g., institutional, technical, managerial); and improving the overall evidence base will all be present.

The following agencies of the UN will also be involved in the implementation of the UNAPF in accordance with their areas of activity: FAO, IFAD, ILO, IOM, UNCTAD, UNDP, UNECE, UNESCO, UNEP, UNHCR, UNICEF, UNIDO, WHO, UNFPA, UNODC, WHO, OHCHR, Regional Centre in Istanbul [4].

The priorities reflected in these documents appear to be in line with the SDGs and the policies and other actions implemented in the country for the realization of these priorities lay the groundwork for Azerbaijan Republic to be at the forefront of achieving these goals and to make a worthy contribution to the overall work of the world community.

### 4.3. SUSTAINABLE DEVELOPMENT ISSUES IN LONG-TERM VISION OF COUNTRY’S DEVELOPMENT PROSPECTS

As already mentioned in the previous sections, Azerbaijan took a leading position in the world in terms of social and economic

development rate in the period 2000-2015. By virtue of the revenues obtained on the basis of the successfully implemented oil strategy, the infrastructure has been modernized, foundations have been laid for the development of the non-oil sector, social welfare has been improved, state-owned assets have increased and strategic currency reserves have been created at a level comparable to the volume of GDP. Amid the weakening of economic growth in the country as a result of the sharp decline in oil prices starting from 2014 and the economic crisis in the trade partner countries, institutional and structural challenges, deficits in the balance of payments and the non-oil budget and the processes taking place in the financial and banking sector, transition to a new economic development approach has become a necessity in Azerbaijan.

Taking this need into account, a total of 12 strategic roadmaps for the development of the national economy and 11 economic sectors were developed in accordance with Order No.1897, dated March 16, 2016, of the President of Azerbaijan Republic “On approval of the main directions of the strategic roadmap for the national economy and main economic sectors and the issues arising from it” and approved by the Decree dated December 06, 2016 of the President of Azerbaijan Republic “On approval of strategic roadmaps for the national economy and main economic sectors”. Strategic roadmaps are policy documents stating that the goals and objectives set in the strategies, programs and other policy documents adopted and currently implemented in the country, including the “Azerbaijan 2020: Look into the Future” Development Concept, should be implemented on the basis of a qualitatively new development model, by taking into account the developments on a global and regional scale in the modern age, global and regional challenges and their impact on the country.

These documents emphasize that their aim is to move towards a development model suitable for the post-oil era, which is based on the concept of sustainable development in the country, in the prospective period. Thus,

the “Strategic roadmap for the prospects of the national economy of Azerbaijan Republic” provides that by focusing on new “vanguard” sectors, which will ensure sustainable development in the prospective period, the structure of the economy will be re-balanced via a more predominant growth of non-tradable sector than tradable sector, processing than production, private entrepreneurship than public entrepreneurship, high-tech sectors than low-tech sectors, industries based on high-skill labor than those based on low-skill labor, high-yield markets than low-yield markets and high value-added sectors than low value-added sectors. The renewal of the structure of the national economy will be possible through improvement of the business environment, introduction of a new policy within the framework of the medium-term expenditure strategy, rehabilitation of the financial and banking system and improvement of the monetary policy based on the floating exchange rate regime, as well as expansion of access to foreign markets.

Therefore, four strategic goals have been chosen under the national economy prospects. The implementation of these goals and the strategic roadmaps for the 11 sectors will render sustainable economic development possible by ensuring a balance between real and finance sectors. In accordance with the first strategic goal, Azerbaijan will ensure fiscal sustainability and build its monetary policy upon the floating exchange rate regime. Coordination of fiscal and monetary policies will ensure macroeconomic stability. The second goal under the national economic prospects is to improve the performance of the legal entities, whose majority shareholder (stockholder) is the state, and to ensure economic dynamism through implementation of privatization. The third goal is related to human capital development, whereby labor market development will be adjusted to the prospects of the national economy. Finally, the fourth goal is to further improve the business environment.

Based on the foregoing, the main short-term, medium-term and long-term goals related to the prospects of the national economy have been defined as follows:

**Strategic vision for the period until 2020:** to achieve stabilization of the Azerbaijani economy in the short term in order to help it out of the situation caused by the adverse effects of external shocks, to accomplish diversification and restoration of the development line by virtue of new drivers in the medium term, and to increase competitiveness via further integration into the world economy by the end of the period.

The strategic vision for the period until 2020 will serve to develop the foundations of the economy, which will be built for 2025 and beyond. Along with preserving Azerbaijan’s important role in Europe’s energy security and development of transport and logistics corridors, it is envisaged to improve Azerbaijan’s positions in the world economy by increasing the competitiveness of its economy through diversification, progressive structural changes, reducing the dependence of the economy, the state budget and the exchange rate on oil revenues and prices, and further expansion of access to markets. In this context, along with the creation of new jobs, the focus will also be on efforts to reduce poverty through improvement of housing provision, development of the system supporting the provision of educational and health services in line with the modern requirements, improvement of utilities and ensuring transition from the targeted social assistance system to rehabilitation.

**Long-term vision for the period until 2025:** to achieve a strengthened competitiveness by adding more value in the atmosphere of fruitful cooperation of all parties of the Azerbaijani economy that has embarked on the path of sustainable development.

During this period, it is envisaged to attract more investment into the national economy and enhance access to markets by developing the free competition environment and supporting the private sector. In so doing, the development of the national economy will be ensured by taking into account the key trends in the global and regional context, and integration into global and regional value chains will be taken as a basis. Protection of macroeconomic

stability, improvement of business environment, promotion of private investments and a supportive public sector are considered to be the fundamental basis for Azerbaijan's economic development prospects in the period until 2025.

***Target vision for the period beyond 2025:***

establishment of a strong, competitive and inclusive economy, which will ensure improved social welfare and the highest level of human development index and will be based on high technological development and an optimal structure of the economy.

It is expected that a strong middle class, in-depth specialization in areas with a competitive advantage, effective integration with the world economy, ensuring national economic security and developed infrastructure will be the primary pillars of the strategic vision for the period beyond 2025. Besides, in accordance with the SDGs, Azerbaijan will remain committed to implementing urgent, determined and transformative measures, which will make the world sustainable and strong. So, the focus during this period will be on strengthening the economic capacity and ensuring the sustainability of economic growth (enhancing macroeconomic stability, as well as fiscal sustainability, creating a favorable business environment, development of the infrastructure, easing access to foreign markets, increasing resilience of the economy to external shocks and improving labor productivity by enhancing the promotion of foreign investment, transition from the efficiency-based model to an innovation-based model, significant increase in real per capita income

of the population, acquisition of the status of a "high income country" in accordance with the World Bank's classification, expanding economic diversification, development of the non-oil sector, and increasing exports and foreign currency earnings), improving social welfare of the population (complete and targeted elimination of poverty, expanding access to quality health and education services, ensuring food security, improvement of housing provision, increasing the efficiency and service quality in electricity, water and sanitation, heating and gas supply sectors, development of social dialogue and increasing inclusive employment), and strengthening environmental protection (contributing to environmentally cleaner air, water and soil by reducing carbon emissions in the country, minimizing energy consumption for the production of each GDP unit based on the principle of energy efficiency, increasing the share of renewable energy in the energy balance of the country, and creating a system for the effective management of waste, including harmful gases, wastewater and radioactive waste).

The above-mentioned shows that Azerbaijan attaches great importance to sustainable development issues in the long-term vision for the development prospects of the country and demonstrates an integrated approach to its economic, social and environmental elements. In addition, the development of an appropriate action plan or national program is also on the agenda, in order to closely coordinate policies and activities related to the SDGs and make a more efficient use of available resources and opportunities.



## 5. POLICY MEASURES AND FAVORABLE ENVIRONMENT ESTABLISHED FOR ACHIEVING SDGs

### 5.1. NATIONALIZATION OF THE SUSTAINABLE DEVELOPMENT GOALS AND THEIR INTEGRATION INTO THE NATIONAL DEVELOPMENT AGENDA

As in all other countries, the activities for the implementation of the SDGs have started with the nationalization related goals, and their integration into the country's development agenda. At the same time, the following main international documents such as the UN's Universal Declaration of Human Rights, the "Agenda 21" adopted at Rio de Janeiro-92 conference, including "Main Principles of a Sustainable Development", Millennium Declaration, "2030 Agenda" approved at the Sustainable Development Summit and other international documents in adoption process. In addition, the following key principles are set forth in the "2030 Agenda" for the implementation of the SDGs within the cooperative approach:

- **Universality:** The new agenda is applicable to all country typologies, not only developing countries. The concept of SDGs allows for nationally adapted and differentiated approaches for implementing what is seen as a common and collective responsibility.

Based on this principle Azerbaijan keeps its focus on the conformity of national goals and targets with the global goals and targets, along with the national priorities, at the time of nationalization and inclusion of the global SDGs, targets and indicators in the country's development agenda.

- **Integrated approach:** The new agenda denotes that it is clearly insufficient to pursue SDG implementation on a goal-to-goal basis. What are the conditions that make

policy integration viable and the obstacles to its adoption as a common practice in government institutions. While accountability will continue to reside in a particular sector, understanding how to promote an integrated approach and policy coherence to inform better planning through cross-sectoral collaboration is key for success.

This is why Azerbaijan chose an approach that encourages coordination of activities and policies between state bodies, preserving the responsibilities of each body, for strengthening coordination across sectors by establishing a single approach.

- **Leaving no-one behind:** This is expressed in various SDG goals/targets which aim at a universal achievement (e.g. eradicate extreme poverty; eradicate hunger – zero targets; systematic use of disaggregated data; quality-outcomes based approach; and normative frameworks). This will require countries to work to reach the 'last mile'. Countries will need to reevaluate their approaches, development interventions, and costs associated with reaching the last mile.

This principle targets the identification of the countries that are prone to the possibility of being left behind as per each of these targets and implementation of measures to prevent these countries from being left behind.

Because of this Azerbaijan re-evaluates its approach, its measures for the support of the development and its opportunities and resources for overcoming the distance in order to catch up with everybody and makes efforts to plan more efficiently for their use, taking into consideration vulnerable groups.

Generally, there is a great interest in the "2030 Agenda" as in the global development program and all stakeholders recognize the relevance of SDGs for the country. All of the ministries and

other state bodies are ready to show support for the integration of the SDGs into their work and policies. As per the “leaving no one behind” principle vulnerable groups, including refugees and internally displaced persons, elderly people, people with disabilities, children, youth related issues, gender equality and other such issues are in the spotlight during the implementation process of SDGs.

- **Nationalization:** To nationalize and to integrate the SDGs, and the target and indicators determined as per SDGs, into the country’s development agenda the existing strategies, programs and other policy documents in force in the country are reviewed with working groups and partners for compliance with SDGs and plans are prepared to close gaps. To identify the national goals and the related indicators for the sustainable development within the framework of these works the following measures have been taken in cooperation with the working groups and stakeholders:

- At the workshop held on the 18<sup>th</sup> of November 2016 the international expert from Istanbul Regional Hub gave a presentation on the procedure for filling out Rapid Integrated Assessment matrix.
- On the 10-12<sup>th</sup> January 2017, extensive discussions were held within the working groups for the identification of national priorities and indicators in line with state programs, strategies and other political documents aligned with SDG goals, targets and indicators.
- On the 16<sup>th</sup> of January 2017, a meeting was held with the heads of the “Economic Development and Proper Employment”, “Social Issues” and “Environmental Issues” working groups and a UN expert in order to assist with the selection of targets for SDGs.

As a result of this work and measures the initial draft of goals, targets and indicators for Azerbaijan was prepared.

The following criteria have been used during selection:

- The reflection of the targets in the strategic program documents;
- The compliance of the targets with the national priorities;
- The availability of indicators for evaluating the results.

The following challenges emerged during selection of the targets under SDGs:

- The lack of State Programs, concepts, strategies and other policy documents. as per some subject areas and sectors (1.5, 10.1, 14.6);
- The existence of the documents for some of the targets (3.7, 10.2) in the form of draft projects which are expected to be adopted in the coming years;
- The emergency of the need for the nationalization of indicators (2.c, 8.1, 17.1) for some targets;
- The incompliance of some of the targets (1.1, 2.1, 4.6 –is not actual, 2b, 4b, 8a, 9a, 10a, 10b, 11c) with the country’s priorities;
- The lack of clarity for some targets (1.5) and indicators (16.3);
- The lack of the methodologies (1.5.2, 2.5.2, 3.9, 13.1, 14.1, 14.6).

At the moment the works are continued to be implemented for the prepared draft project and it is expected to be completed till the next reporting cycle.

- **Integration.** For the integration and development of the “2030 Agenda” at the national and local levels it is planned to be integrated into the national, regional and local plans and budget allocations, accordingly. Because of this the activities for determining the compliance of the goals of the “Azerbaijan 2020: Look into the Future” Concept and National economy and main sectors of the economy roadmaps with the SDGs and its targets, and identifying gaps have been initiated first.



At the same time, the following national and sector programs and other policy documents that are implemented at the moment or are planned to be approved are being evaluated:

- State Program on Socio-Economic Development of Regions of the Republic of Azerbaijan for 2014-2018 years;
- Food Security Program of the Republic of Azerbaijan;
- “Open Government Initiative National Action Plan for 2016-2018”;
- “State Program for Strengthening Social Protection of Older People (2017-2021)” draft;
- State Program for Improving Mother and Child Health (2014-2020);
- State Program on Compulsory Medical Examination of Children;
- Action Program 2016-2020 for Combating HIV/AIDS;
- Action Program 2016-2020 for Combating Tuberculosis;
- Strategy for Combating Non-Infectious Diseases for 2015-2020 in the Republic of Azerbaijan;
- 2013-2018 State Program on Fight Against Illegal Trafficking of Narcotic Drugs, Psychotropic Substances and Their Precursors and Drug Abuse;
- Action Program on Immunoprophylaxis of Infectious Diseases Among Children in 2016-2020;
- The National Action Plan for years 2014-2018 on Combating Trafficking in Human Beings in the Republic of Azerbaijan;
- The Action Plan for the implementation of the “National Strategy for the Development of the Education in the Republic of Azerbaijan”;
- National Strategy for the Development of the Education in the Republic of Azerbaijan;
- Youth Development Strategy of Azerbaijan in 2015-2025;
- “Azerbaijani Youth in 2017-2021 State Program” draft;
- National Program for Action to Raise Effectiveness of the Protection of Human Rights and Freedoms in the Republic of Azerbaijan;
- National Plan of Action on Women Issues in the Republic of Azerbaijan;
- “State Program on Improvement of Living Conditions of Refugees and Internally Displaced Persons and Employment Promotion” and the additions made to it on 31<sup>st</sup> of October, 2007 and 21<sup>st</sup> of February, 2011;
- State Program on Socio-Economic Development of Baku City and Its Suburbs;
- State Program for the Development of Industry in the Republic of Azerbaijan in 2015-2020;
- “About creation of the legal entity of the public law “ABAD” in subordination of the State agency on rendering services to citizens and social innovations in case of the President of the Republic of Azerbaijan” decree 1047 of the President of the Azerbaijan Republic dated September 23, 2016.
- “Employment Strategy of the Republic of Azerbaijan (2017-2030)” draft;
- The Action Plan for the Goals and Directions of the Strategic Plan of the Ministry of Energy of the Republic of Azerbaijan for 2015-2020;
- “Long-Term Action Plan for the Use of the Alternative and Renewable Energy Sources in the Republic of Azerbaijan for 2016-2020”;
- “Financing of the Investment Projects for the Development of the Tourism Sector Presented by the Local Entrepreneurs through the Republic of Azerbaijan National Fund for Entrepreneurship Support for 2017-2020” draft;

- “State Program on the Improvement of Justice in Azerbaijan” draft;
- “Azerbaijan: Country Partnership Strategy (2014-2018)” by Asian Development Bank;
- The agreements signed between EU and Azerbaijan and the programs being implemented;
- “State Program on Energy Sector Development till 2030” draft;
- “Long-Term Action Plan for the Efficient Use of Energy in the Republic of Azerbaijan for 2016-2020”;
- “State Program on the Development of Demography and Population (2017-2030)” draft;
- “State Program on Restoration and Preservation of Historical-Cultural Monuments and Improvement and Development of Functionality of Cultural Reserves (2014-2020)”;
- “State Program on the Improvement of Environmental Situation and Efficient Use of Natural Resources in the Republic of Azerbaijan for 2016-2020” draft;
- “National Strategy of the Republic of Azerbaijan on Conservation and Sustainable Use of Biodiversity for 2017-2020”;
- “Action Plan for 2016-2018 for the Sectors Covered by the Ministry of Ecology and Natural Resources”;
- “National Action Plan for Combating Desertification in 2018-2022” draft;
- Action Plan of “Azersu” OJS;
- Related regulatory legal acts and international agreements, contracts and programs.

This analysis also aids in establishing an institutional framework that allows solving the existing problems on the way to achieving SDGs and closing gaps that may occur during

implementation quickly and effectively. During this period an integrated approach towards the three pillar stones – economic, social and environmental – of a sustainable institutional framework development are kept in the spotlight.

UNDP wished to supply technical facilities and direction to assist each of the sector ministries in this task.

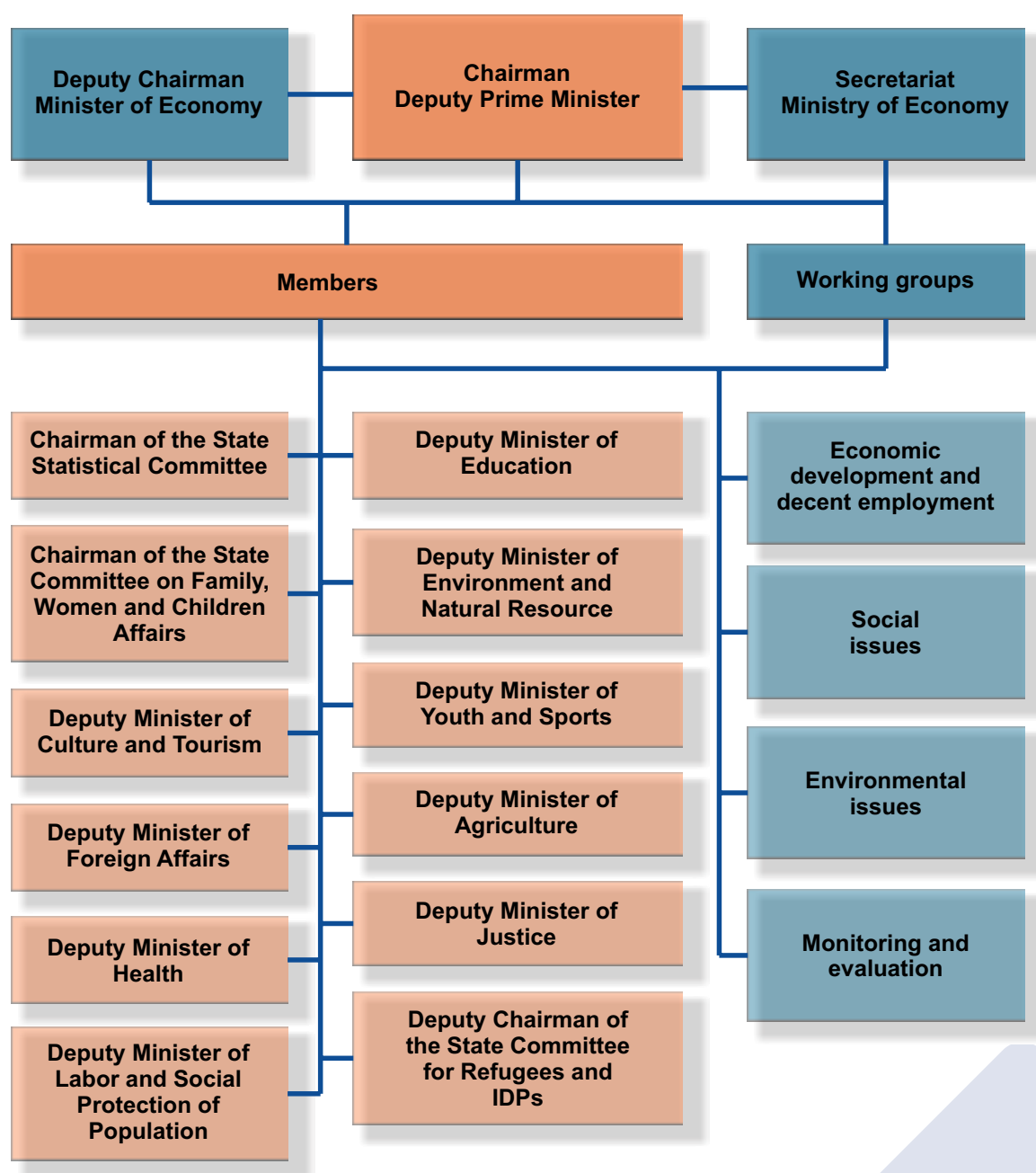
The important responsibilities fall on the local executive bodies for achieving SDGs. While it is important for the centralized government to determine the goals on the country level and allocate mandates for achieving those goals, the responsibility for the local implementation falls on the regional and local executive bodies. Because of this close attention is paid to ensure the inclusion of the national and regional/local executive bodies in the action plans for SDGs. At the same time, the Council, the Secretariat and inter-sector Working Groups responsible for the coordination of SDGs’ implementation are also working to establish necessary mechanisms to ensure vertical and horizontal coordination between national, regional and local executive bodies on a highest level.

It is planned to include SDGs in the development agenda and complete their nationalization, including organization of a forum on a high level for the discussion of all draft project documents and related action plans prepared on this topic to reach a common agreement on and to confirm them. UN Country Office expressed its interest in the organizational support for this event.

## 5.2. INSTITUTIONAL MECHANISMS

With the purpose to coordinate the implementation of tasks entrusted to each government agency under the commitments undertaken from “2030 Agenda”, the President of the Republic of Azerbaijan issued the Decree on October 6, 2016, to establish the National Coordination Council for Sustainable Development of the Republic of Azerbaijan.

### The National Coordination Council for Sustainable Development of the Republic of Azerbaijan



The main objectives and areas of activity of the National Coordination Council for Sustainable Development consist of the following:

- Identification of the national priorities of Azerbaijan until 2030 and related indicators that correspond with the global goals and targets;
- Ensuring alignment of the state programs and strategies in country's national priorities in line with SDGs;

- Preparation and submission of national annual progress reports to the President of the Republic of Azerbaijan;
- Involvement of local and foreign experts, international organizations and scientific circles;
- Establish working groups on different areas under SDGs.

Based on the Decree, to ensure the coordination activities of the Council on January

23, 2017, the Secretariat of the Council was established under the Ministry of Economy, of the Republic of Azerbaijan.

With the purpose of efficient organization of the Council the following 4 working groups with the representatives of the competent state bodies were established:

- Economic growth and decent employment;
- Social issues;
- Environmental issues;
- Monitoring and evaluation.

The working group includes representatives from the following government agencies.

- The Ministry of Internal Affairs of the Republic of Azerbaijan;
- The Ministry of Ecology and Natural Resources of the Republic of Azerbaijan;
- Ministry of Energy of the Republic of Azerbaijan;
- Ministry of Emergency Situations of the Republic of Azerbaijan;
- The Ministry of Youth and Sports of the Republic of Azerbaijan;
- The Ministry of Agriculture of the Republic of Azerbaijan;
- The Ministry of Finance of the Republic of Azerbaijan;
- The Ministry of Culture and Tourism of the Republic of Azerbaijan;
- The Ministry of Transport Communications and Information Technology of the Republic of Azerbaijan;
- The Ministry of Health of the Republic of Azerbaijan;
- The Ministry of Education of the Republic of Azerbaijan;

- The Ministry of Taxes of the Republic of Azerbaijan;
- The Ministry of Foreign Affairs of the Republic of Azerbaijan;
- The Ministry of Economy of the Republic of Azerbaijan;
- The Ministry of Justice of the Republic of Azerbaijan;
- The Ministry of Labor and Social Protection of the Population of the Republic of Azerbaijan;
- Azerbaijan National Academy of Sciences;
- The State Statistical Committee;
- The State Committee on Family, Women and Children's Affairs of the Republic of Azerbaijan;
- The State Committee for Urban Planning and Architecture of the Republic of Azerbaijan;
- The State Committee on Refugees and Internally Displaced Persons of the Republic of Azerbaijan;
- The State Committee on Property Issues of the Republic of Azerbaijan;
- The State Oil Company of the Republic of Azerbaijan;
- The State Migration Service of the Republic of Azerbaijan;
- Irrigation and Water Management OJSC of the Republic of Azerbaijan;
- The General Prosecutor's Office of the Republic of Azerbaijan;
- Azerbaijani Human Rights Commissioner (Ombudsman);
- The State Agency on Housing Construction under the President of the Republic of Azerbaijan;

- Azerbaijan National Agency for Mine Action;
- The State Agency for Alternative and Renewable Energy Sources;
- The State Agency on Public Service and Social Innovations under the President of the Republic of Azerbaijan;
- The State Agency on Mandatory Health Insurance of the Republic of Azerbaijan;
- Financial Market Supervisory Authority of the Republic of Azerbaijan;
- The Central Bank of the Republic of Azerbaijan.

Currently, the NCCSD, with the support of the Secretariat and the Working groups, is making efforts to intensify activities in the following areas: Ensure broad based and inclusive stakeholder participation; Translate global sustainable development goals, targets and indicators to the national context; Identify of national priorities and sustainable development gaps; Articulate inclusive and rights-based national strategies and policies; Coordinate and promote collaboration among various government agencies and ministries; Secure coherence among development partners to align with national priorities; Design national reporting and review framework, and links to regional and global reviews; Identify needs and opportunities for capacity development.

### 5.3. IMPLEMENTATION TOOLS AND RESOURCES

Achievement of sustainable development goals (SDGs) requires mobilization of all capacity of local and international partners. Efforts are being made to set up this activity in Azerbaijan in the same fashion. First of all, work is underway to mobilize government agencies and their capacities, as well as appropriate means and resources through the established Council, the Secretariat and working groups. In addition, measures are being taken to nationalize global SDGs and related targets and indicators, to

include them in the country's development agenda, to organize the implementation, to establish monitoring, evaluation and reporting system, to attract financial resources including local and foreign investment, to develop an action plan for the elimination of gaps and etc. Efforts are also being made for actively involving tools of public and private sector and resources in these processes.

In addition, work is also conducted with international partners. From this point of view, cooperation with UNDP is already making its contribution. That is, some preparatory work has been started in connection with the application of UN instruments "Acceleration of activities related to SDGs" and "Policy Support" in conjunction with the UN Office in the country in order to move forward in implementation of the 2030 Agenda in Azerbaijan. Besides, the "Support for bringing SDGs in line with national priorities" project covering a one-year period has also been launched with the UNDP and intensive work is carried out in the following areas:

- Monitoring and evaluation of the alignment of SDGs with national priorities and their nationalization;
- Policy support for adapting SDGs to national policies and selecting key priorities (SDG Accelerators);
- Support for capacity building related to SDGs in local and international levels.

The work has been initiated as part of the "Acceleration of activities related to SDGs" instrument in the search for potential opportunities for issues such as clarification of sources of resources, as well as strengthening interdisciplinary efforts and cooperation, increasing funding and improving assessment in order to channel the opportunities and resources available in the country towards the priority areas identified in the process of "Introduction of the agenda".

The "Policy Support" instrument allows the least expensive and fastest possible use of the opportunities and experiences available in the

UN development system as support for activities and policies related to SDGs. Within the framework of this instrument, the Government of Azerbaijan and the UN Office are working to determine which opportunities and experiences available in the UN development system are needed in the country and what actions should be performed to use them.

At the same time, negotiations are underway with other international development agencies. Azerbaijan needs the support of international partners on issues such as Official Development Assistance (ODA), diversification and increase of exports in the non-oil sector, raising the technological level of the production and technical capacity, enhancing innovation and modernizing the economic regulation system. To this end, the possibilities for regional and south-south cooperation are being considered.

The government of Azerbaijan plans to finalize the nationalization of the global SDGs by the end of this year and then to hold a joint conference with the UN Country Office to discuss the means of implementation of the nationalized “2030 Agenda” in 2018. It is expected that the conference will play an important role in identifying new drivers and starting points for economic reforms and development to create broad opportunities for accelerating development in various sectors of the national economy and throughout the country and involving the entire population of Azerbaijan in the process related to SDGs and ensuring that they ultimately benefit from this.

#### 5.4. OWNERSHIP, PARTICIPATION AND PUBLIC AWARENESS RAISING

The government of Azerbaijan thinks that SDGs are favorable platforms enabling joint activities of state authorities, civil society institutes, business representatives, scientific and educational establishments, mass media and international organizations supporting progress. As is known, achievement of SDGs requires high level coordination among national and international partners and extensive consultations at government level. The government, while

acting as coordinator for the attainment of nationalized SDGs, will be facilitating and supporting SDG-focused initiatives of civil society institutions, academia, business and professional associations, other stakeholders and partners. Driven by the principle of “leaving no one behind”, which is a core commitment of the SDGs, and determined to engage all stakeholders in achieving the SDGs, the National Coordination Council for Sustainable Development of Azerbaijan Republic partnered with the UN Office in Azerbaijan conducted panel discussions on SDG implementation which brought together representatives of the different groups of society (academia, civil society, women, youth, parliament).

In this regard, the event on the theme of “The role of science and research in achieving SDGs in Azerbaijan” held on March 16, 2017, with the participation of representatives of academic circles and parliamentarians should be particularly noted. The event was attended by representatives of the National Academy of Sciences of Azerbaijan and sectoral research institutes, researchers from various higher education institutions, parliamentarians and representatives of UN agencies.

On April 10, 2017, a 45-minute demonstration lesson on the theme of “SDGs: Education can change the world” was conducted in the Educational Complex No.132-134 in Baku, the capital city of the country. At the event, children aged 11 to 14 were informed in detail about issues such as the role of education in changing the world, the results of good education, access to education and education level in the world and Azerbaijan, the global development goals and the role of education in achieving these goals.







On 1 May 2017, a panel discussion on the theme “The Role of the Civil Society in achieving the SDGs in Azerbaijan” was conducted in partnership with the civil society.

On 9 June 2017, a panel discussion on the theme “Sustainable Development Goals: Women and Progress” was conducted with the support of the Council and UN Office in Azerbaijan.



These discussions stated that the government, acting as coordinator for the nationalization of SDGs, was committed to assisting and supporting SDGs-oriented initiatives of civil society institutions, academic circles, business and professional associations and other stakeholders.



The discussions have shown that in the country, it is necessary to intensify efforts in the following areas:

- Measures on raising awareness and establishing dialogue on SDGs should be strengthened in the center, as well as in the regions.
- Establishment of a multi-stakeholder group to support the work of the NCCSD Secretariat (suggested in the discussions with the Chairman of NCCSD and the MOE).

In line of the above-mentioned, the government intends through interaction with local and international partners to create an on-line portal that will raise awareness on national and global SDGs, targets, implementation phases and indicators. It is expected that this on-line portal will be an important tool for participating in consultations on national SDGs, monitoring and reporting process.

Acting as intermediaries in these on-line and off-line processes, local media and civil society institutions will ensure the involvement of all groups and segments of society in these processes. In so doing, the focus will be on hearing the voices of vulnerable segments of the population, including women, youth, the poor, and particularly IDPs and refugees.

## 5.5. MONITORING, EVALUATION AND ACCOUNTABILITY

The provision of monitoring, evaluation and accountability is an important aspect of the implementation of the 2030 Agenda. To do this, first of all, it is necessary to ensure the availability of statistical systems, physical, material and technical resources, methodologies and mechanisms that will allow tracking and evaluating progress, by involving citizens, parliamentarians, relevant government institutions, the civil society institutions and other stakeholders. In this case, attention should be paid to the comprehensiveness of the information. This is particularly important in relation to excluded and marginalized



people, who are often either not covered or inadequately covered by the data collection activity at the national level.

At the moment, serious preparatory work is being carried out in connection with the monitoring and evaluation of the results of the work carried out to achieve SDGs. To this end, the division of powers and responsibilities has been carried out within the National Coordination Council for Sustainable Development, the Secretariat and the working groups, and relevant work has been initiated. Thus, the country is carrying out intensive work in the areas of creating a comprehensive database on SDGs, identifying data sources and methodologies for data collection, processing and analysis, preparing reporting forms for relevant targets and indicators and other information that can support the analysis and evaluation of the progress in implementation of SDGs, and collecting, processing, analyzing and evaluating information based on these forms.

Reporting is intended to be ensured through the preparation of periodic annual voluntary national reports and progress reports to be submitted to the country's leadership and the UN High-Level Political Forum on Sustainable Development. The National Coordinating Council for Sustainable Development is responsible for the preparation and submission of reports. These reports are prepared on the basis of analysis and assessment of statistical and administrative data on SDGs, relevant targets and indicators collected from various sources.

This review, which is currently being submitted, is the first National Voluntary Review of the Republic of Azerbaijan on the first measures taken and the work done in connection with the implementation of the 2030 Agenda in the country.

Responsibility for the process of collecting, processing and disseminating data has been assigned to the State Statistical Committee (SSC). For this purpose, the Department for Sustainable Development Statistics has been established within the SSC. The following responsibilities have been assigned to central and local executive power agencies and legal entities whose control packet of stocks (shares) is held by the state:



- provide statistical data on indicators of achievement of SDGs to the State Statistical Committee of the Republic of Azerbaijan;
- Present a progress report to the Council. The followings have been identified as the

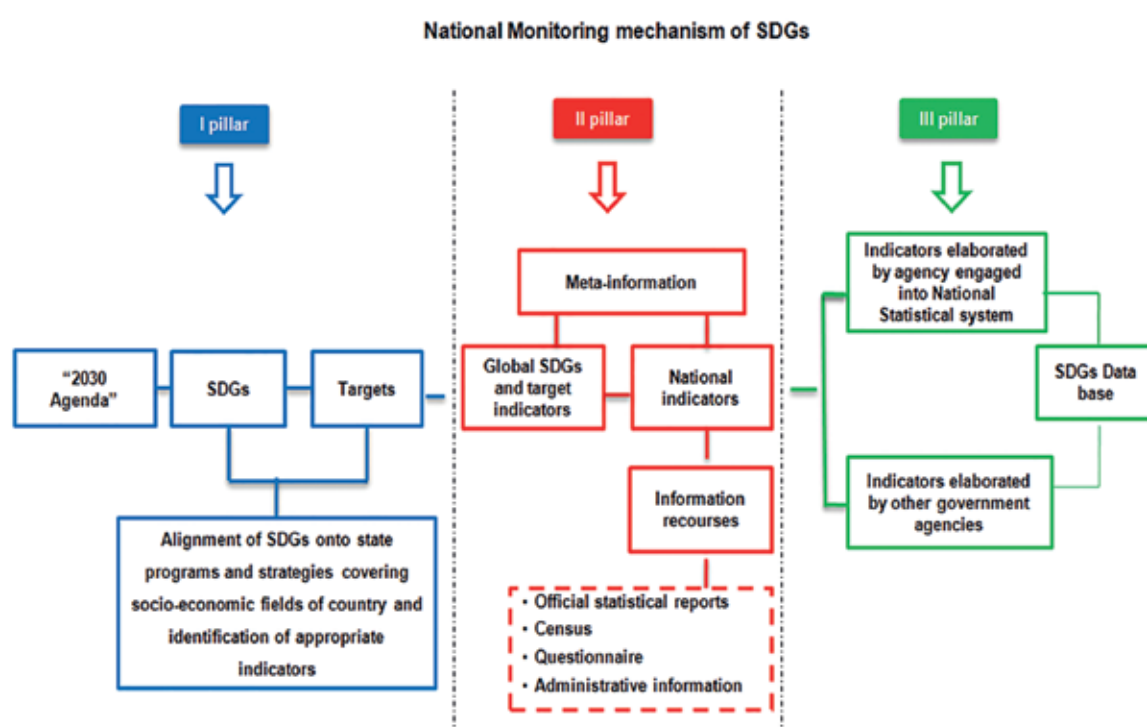


main sources of information for monitoring indicators identified in accordance with SDGs;

- Statistical observations (official statistical reports, studies, surveys);
- Agricultural census;
- Population census;
- Statistical studies on economic, social and demographic issues;
- Administrative documents and data.

3 working groups covering all spheres of the economy have been established under the leadership of the SSC and with the participation of other relevant government agencies. The main objectives of the creation of these working groups are as follows: ensure the expansion of the use of administrative data in official statistics and integrate administrative databases into the statistical database of the SSC.

The stages of formation of the National Monitoring Mechanism of SDGs in the country are described in the figure below.



Source: [9]

The SSC has reviewed the reporting capabilities for SDGs indicators and stated that 70 indicators can be reported based on official statistical data. Besides this, it is presumed that there are considerable administrative data, which may cover an additional 30 indicators.

The discussions and studies conducted have shown that there is a need in the country to expand the coverage and deepness of national information systems relating to SDGs and improve their coordination by enhancing their logistical and personnel capacities and software support, and to develop evaluation capacity.

The following can be attributed to the activities that will be performed in these areas:

- Identification of indicators and data collection: determining targets and indicators in line with national priorities and reference years;
- Detailed information: the commitment of “leaving no one behind” and avoiding inequality and discrimination in SDGs requires that efforts are channeled from mid-level layers towards the most marginalized population groups. For this, it is necessary to classify the data according to gender, age,

income/welfare, location, ethnicity, disability, the fact of being a refugee or IDP and other specific socio-economic characteristics (disaggregation) in accordance with the principle of “leaving no one behind”;

- Monitoring and reporting systems: require on-line systems for working with existing data and systems of reporting on those data and information exchange, as well as reporting on key indicators and creating opportunities for both vertical and horizontal coordination;
- Accountability processes and mechanisms: provides for the preparation of a progress report on SDGs adapted at national and regional levels.

Certain measures are currently being taken in the areas mentioned above. UNDP intends to provide some support to the SSC and related institutions in these areas within the framework of supporting the implementation of the agenda in the country.

Further analysis in connection with this support includes:

- Evaluating the potential for use of official and administrative statistical data, in particular “bulk data”. Based on the study of how “bulk data” is collected and surveys are conducted, this analysis can determine what additional work is to be done to gradually adapt them to the SDG indicators;
- Evaluating the capacity and identifying needs in the field of information systems, as well as their hardware and software support, in order to improve them;
- Exploring the possibilities of coordinating these processes with the country’s achievements in the field of e-governance.

These measures are expected to help create more advanced data collection, monitoring, evaluation and reporting mechanisms that will fully cover the activities of government agencies related to SDGs and link these activities with progress reporting and accountability in respect of SDGs.

## 6. IMPLEMENTATION OF THE GOALS AND ACHIEVEMENTS MADE

As is known, “Eradicating poverty and promoting prosperity in a changing world” has been selected as a thematic topic for discussion at the High-Level Forum scheduled to be held on July 17-19, 2017 in the UN headquarters in New York City. It is planned to discuss voluntary national reviews to be prepared by 44 countries under this topic in accordance with the goals No. 1, 2, 3, 5, 9, 14 and 17.

As one of these countries, the first voluntary national review of the Republic of Azerbaijan devotes special focus to the results of analysis and assessments related to the current situation and opportunities vis-a-vis the above-mentioned goals, works performed, initial achievements, problems encountered and measures taken to eliminate them.



### **GOAL 1. End poverty in all its forms everywhere**

One of the first and most important SDGs is the elimination of all forms of poverty for all people around the world. The main objective of the policy

implemented in Azerbaijan to achieve this goal is to bring poverty to the lowest possible level and to improve the welfare of all segments of the population by stepping up anti-poverty measures at all levels.

Joining the Millennium Declaration in 2000, Azerbaijan has implemented comprehensive measures in the fight against poverty and achieved significant results. As a result of the adoption and implementation of a number of state programs, including the State Program on Poverty Reduction and Economic Development (SPPRED) and the State Program on Poverty Reduction and Sustainable Development (SPPRSD), extreme poverty has been eliminated, the absolute poverty rate has been significantly reduced, improvement of people's well-

being has been achieved, social protection of socially vulnerable population groups has been strengthened. At present, measures are being taken to consolidate and further increase the achievements in this area.

**Poverty level and existing social protection system.** Starting from 2001, the share of the population living below the national poverty line (49.0%) decreased 8.6 times standing at 4.9% in 2015, and extreme poverty in the country was eliminated in 2007 (extreme poverty, which was around 10.0% in 2001-2003, fell to 0.5% in 2006 and to less than 0.1% in 2007). During this period, the decline in the poverty level in the country took place against the background of raising the national poverty threshold (24 AZN in 2001, 135.6 AZN in 2015) on a regular basis, which attests to the greater importance of the achieved result.

In 2016, poverty line was 148.5 AZN (increased by 9.4% compared to the previous year) and poverty level was 5.9% (increased by 1 percentage point compared to the previous year). The increase in the poverty level in the past year is due to the negative impact of a sharp decline in oil prices in the world market and, according to forecasts, will be temporary. In particular, it is expected that in the coming years its downward trend will be strengthened.

Today, Azerbaijan is a country that has a social security system that covers quite broad categories of the population and is based on humanistic approaches to vulnerable groups of the population. An inclusive and targeted social protection system has been formed in the country that combines all elements characteristic of social protection. Over the past period, serious reforms have been carried out in this area and a number of steps have been taken to bring the social protection system in line with modern requirements. In accordance with the Ministry of Labor and Social Protection of Population the Republic of Azerbaijan, 28.3% of the country's population (about 2.8 million

people) receive various social payments from the state throughout the social protection system of Azerbaijan. Among these social payments, the major ones according to their shares are occupational pensions, targeted state social assistance, social benefits and pensions assigned by the President of the Republic of Azerbaijan.

In 2016, a total of 1085 persons were in full public care in social service institutions subordinated to the Ministry of Labor and Social Protection of Population (MLSP). 1237 social workers provided social household services to 11590 lonely elderly people at home.



In 2016, 7991 persons with disabilities (6097 persons in 2015) received treatment at disability rehabilitation centers and the Prosthetic Orthopedic Rehabilitation Center under the MLSP. 15296 persons with disabilities were provided with 32764 units of prosthetic orthopedic products and rehabilitation means, including wheelchairs to 1124 persons, hearing aid to 665 persons with disabilities, as well as 2434 units of upper and lower extremity prostheses and orthoses, 4846 pairs of orthopedic shoes, and 23695 units of various rehabilitation means. Besides, the Prosthetic Orthopedic Rehabilitation Center provided itinerant services to about 1000 people in 41 districts of the country.

**Targeted social assistance system as the main driving force for poverty reduction.** The targeted state social assistance (TSA) program has been applied in the country since 2006 as a passive social protection measure. As a social protection tool, TSA seeks to meet the minimum material needs of the poor and low-income segments of the population.

According to average monthly estimates, 126.7 thousand families (540.2 thousand family members) were provided with targeted social assistance in 2016, which is 25.65 thousand families or 25.4% more with comparing 2015. On average, 48% of TSSA recipients are men, and 52% are women, 53.2% of those receiving TSSA were children under 18, about 1% were children with health restrictions, 0.27% were persons with disabilities, and 0.68% were recipients of the old-age pension.

In 2016, the average monthly amount of TSSA per family was 156.1 AZN, and the amount per one member of the family was 36.6 AZN.

The funds allocated to finance the TSSA program in the country have also increased significantly since the start of the program. In 2016, 237.3 million AZN were spent for these purposes, which is 6 times more in comprising of 2006.

**Poverty-preventing social benefit and pension system.** According to MLSP in 2016, around 7.3% of the country's population or 713.1 thousand persons were assigned and paid monthly or one-off social benefits.

In 2016, 339.1 million AZN were spent to finance social benefits and pensions, which is 35.2 million AZN or 11.6% more than in 2015.

Thanks to the reforms implemented in recent years, the creation of a modern and highly socially effective pension system has been achieved. Since 2006, a new, internationally proven, three-tier (consisting of basic, insurance and savings parts) occupational pension system has been in place. As a result of these reforms, a single state pension system, in which the functions in the fields of social insurance, individual accounting and pension provision complement each other, has been formed. The work of this system has been organized at the level of modern requirements and a mechanism has been created for opening individual accounts of insured persons, maintaining individual records of mandatory state social insurance fees paid on this account and determining the pension rights of citizens in value terms on the basis of data from this account.

**Strategy for eradicating poverty through creating decent jobs.** Diversification of the economy, which is an important factor in long-term development, and the direction of oil strategy dividends towards ensuring the development of the non-oil sector and regions, is of particular importance for creating new job places and increasing employment opportunities that are essential in poverty reduction.



Thanks to the revival of the non-oil sector over the past 13 years as a result of consistent state support, more than 1 million 600 thousand job places have been created in the country with the majority of them being permanent and in regions. The creation of new job places contributed to the growth of employment, and the employment rate in 2016 was 62.7%.

In 2005, the unemployment rate was 7.3%, and it has been continuously dropping as a result of the measures carried out and constituted 5% in 2015. For women, this figure was 5.9%, and for men- 4.1%.

The unemployment rate among the youths aged 15 to 24 fell to 13.4% (15.8% among women) in 2015 from 15.4% (16.2% among women) of 2005. The unemployment rate between 15-29 year olds was 9.6% (11.6% among women) in 2015.

**Social and economic policy that meets modern challenges.** The government's social and economic policy aimed at the full satisfaction of the social needs of various categories of the population gives an impetus to the development of the human factor as a whole. As shown in the structure of the state budget expenditures of the Republic of Azerbaijan (Table 6.1), special attention is paid to the problems of people unable to work and earn income for objective reasons. Thus, the share of spending on social and cultural events in the



state budget expenditures shows upward trend and has reached 32.6% in 2016, an increase of 7.6 percentage points compared to 2015.

**Table 6.1.** Structure of state budget expenditures, in million AZN

Indicators	2010	2011	2012	2013	2014	2015	2016
State budget expenditures- total	11,765.9	15,397.5	17,416.5	19,143.5	18,709.0	17,784.5	17,751.3
<b>including:</b>							
on social and cultural events	2,901.4	3,447.2	4,072.9	4,081.8	4,484.4	4,442.9	5,789.6
<b>of them:</b>							
Education	1,180.8	1,268.5	1,453.2	1,437.7	1,553.9	1,605.1	1,754.4
Healthcare	429.2	493.4	609.4	618.9	665.3	708.2	702.5
Social protection and social security	1,123.0	1,495.4	1,769.5	1,750.3	1,971.2	1,857.2	2,645.3
Culture, art, information, physical education and activities in a field not related to other categories	168.4	189.9	240.8	274.9	294.0	272.4	687.4

Source: Ministry of Finance



Along with providing the necessary assistance to free market economic relations, free competition, private ownership and the development of entrepreneurship, the government also does not forget about the layer of society in need of care and support. Over the 13 years, more than 3 thousand schools and more than 600 medical facilities have been built or undergone major repairs in our country, and more than 250 thousand internally displaced persons have been provided with housing in more than 90 newly built settlements. The literacy rate in the country is 100%.

The main duty of the state in the field of protection of social and economic rights is the implementation of progressive economic and social reforms, ensuring the participation of every citizen in the process of economic development and creating the conditions for everyone to fairly use the available potential in accordance with their skills and abilities. This is, because of the economic policy of the Government of Azerbaijan is socially oriented and is based on the best practices of the world states that have developed through a socially oriented market economy. Every year, attention to the social sphere increases even more, which leads to an increase in the well-being of citizens.

Reforms carried out to develop the non-oil sector and entrepreneurship and launch new enterprises have made it possible to reduce poverty, increase the economic activity of the able-bodied population, and ensure the effectiveness of the country's employment strategy.

The share of spending on education, healthcare and social protection and security in the total state expenditures shows upward trend. The share of these spending in total state budget expenditures has reached 28.76% in 2016, an increase of 5.31 percentage points compared to 2015. The ratio of these spending to the GDP also shows upward trend and has reached 8.5% in 2016, an increase of 0.8 percentage points compared to 2015. In 2016, 1754.4 million AZN was spent from the state budget for education, 702.5 million AZN for healthcare and 2645.2 million AZN for social protection and social security. The fact that the policy implemented in the country is socially oriented suggests a further increase in social spending in the future.

### Strategic goals in the field of poverty reduction.

As a result of the studies conducted, it can be concluded that the following can be attributed to strategic directions for poverty reduction in Azerbaijan for the period until 2030:

- Increasing flexibility in the social protection system;
- Enhancing the role of active social protection measures, especially employment in the social protection system;
- Expanding coverage, increasing targetedness, and ensuring full equity in the social protection system;
- Expanding access to social services, maximizing the automation of social services and providing them to the population in the form of electronic services;
- Improvement of the pension system;
- Achieving current, medium-term and long-term financial sustainability of the pension system;
- Ensuring that pension provision ensures social protection and a decent standard of living for citizens;
- Application of the voluntary savings component of occupational pensions in real practice and preparation of the basis for the formation and development of non-state pension institutions;
- Unification of social benefits systems;
- Strengthening social protection of the population, especially vulnerable groups, and their social integration;
- Improvement of the quality and targetedness of social services;
- Implementing employment-oriented macroeconomic policies and supporting small and medium-sized enterprises in order to ensure stability in the labor market and expand decent work opportunities;
- Improvement of the legislative framework and institutional structure to improve



labor market efficiency and ensure the implementation of flexible policies;

- Development of skills of the workforce, reorganization of the professional development system and adaptation of personnel training to the labor market requirements with the aim of increasing workforce competitiveness and labor productivity;
- Expanding the scope of active labor market measures and increasing their effectiveness in order to ensure inclusive employment;
- Strengthening the integration of population groups that are socially vulnerable to the labor market;
- Development of social dialog, strengthening of labor standards and reduction of informal labor relations in order to strengthen the social protection of the unemployed, job-seeking and employed population;
- Formation of an unemployment insurance system;
- Developing the labor market monitoring and forecasting system in order to improve the efficiency of the labor market and employment policy.



**GOAL 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture**

**Reliable social protection and food security as a means of preventing hunger and malnutrition.**

The purposeful policy implemented in Azerbaijan to ensure reliable social protection and food security of the population has prevented extreme poverty and hunger in the country. These issues are no longer relevant for Azerbaijan. Thus, since 2007, the extreme poverty rate (<0.1%) and the share of underweight children aged below 5 (0.6%) in the country have dropped to a negligible level. Therefore, the policy is aimed at reducing the level of absolute poverty and improving the quality of nutrition in the country, and at present reliable food security of the population is one of the main directions of the state's social and economic policy.

As a result of the work carried out within the framework of the "Program for food security of the Republic of Azerbaijan" approved by a Presidential Decree in 2001, agricultural and





food production has significantly increased. However, it has been impossible to satisfy domestic demand for basic food products through domestic production. The instability observed in the world food markets also affects food prices in Azerbaijan. The “State Program on reliable food supply of population in the Republic of Azerbaijan in 2008-2015” was approved by the Decree of August 25, 2008 of the President of the Republic of Azerbaijan in order to achieve this goal. Besides, strengthening the institutional capacity to ensure sustainable food security is one of the strategic goals set forth in the “Strategic Roadmap for the production and processing of agricultural products in the Republic of Azerbaijan” approved by the Decree of December 6 2016, of the President of the Republic of Azerbaijan.

**The role of small and medium-sized enterprises in reliable food security.** The role of entrepreneurship, especially SMEs, in increasing income and improving food security of the population in Azerbaijan is growing every day. Table 6.2 shows the share of small, medium-sized and large farms in agricultural production in 2015.

This gives some idea of the “amount of production in production units by dividing farms/ livestock and forest farms into groups according to size” indicator of the 2nd SDG 2.3.1.

The Ministry of Agriculture of the Republic of Azerbaijan, with the methodological support of the Food and Agriculture Organization of the United Nations (FAO), has established a Farm Data Monitoring System (FDMS) to regularly assess the results of agrarian policy and the performance of entrepreneurs engaged in agricultural production. The application of this system, created on the basis of the experience of EU Farm Accountancy Data Network (FADN), began in 2015.

The result of the monitoring suggests that in 2015 small farms accounted for 80.6% and 71.7% of crop and livestock farms in the country, respectively. Small farms provided 43.6 % of total agricultural production.

Medium-sized and large farms respectively accounted the remaining 42.6% and 16.1% of the total agricultural production (Table 6.2).

In accordance with the Decree of April 7, 2016 of the President of the Republic of Azerbaijan “On additional measures in the field of ensuring self-employment of the population”, 6 (six) million AZN was allocated from the Reserve Fund of the President of the Republic of Azerbaijan envisaged in the 2016 state budget of the Republic of Azerbaijan to MLSPF of the Republic of Azerbaijan to facilitate self-employment of the population, where 83.6% of the projects that

**Table 6.2.** The share of small, medium-sized and large farms in agricultural production in 2015, in percentage

	Small farms	Medium-sized farms	Large farms
Crop farms	80.6	18.8	0.6
Livestock farms	71.7	27.0	1.3
In the total agricultural production	43.6	42.2	14.2
In the crop production	51.3	32.6	16.1
<b>Including</b>			
grain	36.6	36.9	26.5
corn	46.3	13.1	40.6
legumes	94.0	2.9	3.1
vegetable	81.2	10.5	8.4
potato	87.2	9.4	3.4
garden	73.2	26.1	0.7
fruit	48.5	21.2	30.3
grape	27.4	31.2	41.5
cotton	37.5	28.7	33.8
alfalfa	61.8	30.6	7.5
other forage crops	38.6	37.7	23.8
In the livestock production	38.7	48.6	12.7
<b>Including</b>			
beef	41.2	48.4	10.4
cow milk	50.2	42.3	7.4
mutton	16.7	66.6	16.7
sheep milk	33.3	57.5	9.2
wool	14.7	51.4	33.9
poultry meat	56.1	32.4	11.5
egg	34.2	15.4	50.4
honey	54.3	39.7	6.1

Source: 2015 Report of the Farm Data Monitoring System (FDMS) of the Ministry of Agriculture



were considered successful covered agriculture (sheep breeding, dairy cattle breeding, meat cattle breeding, poultry farming, construction of greenhouses, creation of incubators).

Based on the Decree No.1047, dated September 23, 2016, of the President of the Republic of Azerbaijan, the "ABAD" public legal entity was created under the State Agency for Public Service and Social Innovations. Through this legal entity, it is envisaged to implement projects to support family farms and small and medium-sized enterprises nationwide, create conditions for them use of modern technological production equipment for farm production, provide business planning, marketing, branding and design, finance and accounting, and legal assistance services, organize certification of produced goods in a simplified manner of "one-stop shop" principle, and organize transportation and sale of produced goods.

At present, cooperation has been established with 63 families from Masalli, Balakan, Ismayilli, Shaki and Baku working in the field of decorative and applied folk art, which is one of the priority areas for “ABAD” public legal entity towards developing family farms. The “ABAD” store, located on the territory of the State Historical and Architectural Reserve “Icharishahar” in Baku, sells 500 kinds and more than 2000 items of art works and 10 types of agricultural products of these families.

**Efficient use of land** plays an important role in providing the population with food. In this

connection, protection of lands, reclamation of degraded lands and their efficient use are in the focus of attention of the Azerbaijani government.

The data of table. 6.3, reflecting the dynamics of the share of productive and sustainable agricultural lands, demonstrate a positive trend in this direction in the country.

The total land area of Azerbaijan is 8641.5 thousand hectares, of which 4769.8 thousand hectares or 55.2% are arable lands. In 2016, the arable land area of the country increased by 0.3% compared to 2010 (Table 6.3).

**Table 6.3.** Area of arable lands, at the beginning of the year, in thousand hectares

	2010	2011	2012	2013	2014	2015	2016
Area of arable lands (sown land, fallow lands, perennial crops, pastures and hayfields), at the beginning of the year, in thousand hectares	4757.3	4766.8	4768.7	4768.3	4769.8	4769.7	4769.8

Source: According to the data of the State Committee on Property Issues

Studies have shown that land degradation happens mainly due to poor land management. It is necessary to take into account the decline in productivity in crop and livestock sectors due to climatic factors such as high temperatures, fluctuations in the nature of precipitation and extreme weather conditions (drought, etc.), expand the use of plant varieties and animal breeds adapted to these changes, and encourage the development of “climate-smart agriculture”.

To efficiently use lands, it is necessary to properly regulate the supply of water, nutrients, air and heat regimes to the soil, and to take into account the phenological and biological properties of agricultural crops.

**Protection, increasing and efficient use of genetic resources** are also an important factor in reliable food security of the population. Taking into account the importance of the issue, the scientific research institutes included in the system of the Agrarian Scientific and Information Advisory Center of the Ministry of Agriculture and the Azerbaijan State Agrarian University conduct scientific researches and experiments in the direction of creating new

plant varieties and animal breeds or improving existing varieties and breeds.

New plant varieties are registered in the state register based on the results of the variety trials carried out by the State Service under the Ministry of Agriculture for Registration of Plant Varieties and Seed Control. Table 6.4 below provides information on plant varieties newly created and registered in the state register in 2011-2016.

Table 6.5 presents information on seeds of grain crops produced and certified by the Agrarian Scientific and Information Advisory Center, state seed-production enterprises and private seed farms during 2014-2016.

As can be seen from Table 6.5, the volume of cereal crops in the original category in 2016 increased by 11.6 tons or 44.3% compared to 2014. Significant growth was also observed in seed volumes in the Pre-basic, Basic, R1 and R2 seed categories.

The state supports provision of seeds of productive crop varieties and purebred animals to producers to ensure that existing genetic



resources are distributed fairly and equally and that producer's benefit from them.

Table 6.6 presents information on the state budget funds allocated in 2011-2015 to pay

costs for seed farms for the production of certified seeds and seedlings and subsidization of their sale, as well as for the production of standard, pre-basic and basic seeds produced by scientific research organizations:

**Table 6.4.** Plant varieties registered in the state register during 2011-2016

Plant variety		Number of variety	2011	2013	2014	2015	2016
Cereals and legumes	soft winter wheat	unit	5	2	5	1	3
	hard winter wheat	unit	-	-	-	1	
	winter barley	unit	1	2	1	-	1
	pea	unit	-	1	1	-	
	corn	unit	1	-	1	-	2
	lentile	unit	-	-	-	-	1
Oil crops	peanut	unit	-	-	1	-	
Forage crops	alfalfa	unit	1	-	1	1	
Industrial crops	cotton	unit	-	1	3	1	4
	tobacco	unit	-	-	-	-	1
Vegetable crops	cabbage	unit	-	-	2	4	3
	tomato	unit	4	-	4	3	20
	aubergine	unit	1	-	1	-	1
	cucumber	unit	1	-	1	3	15
	onion	unit	1	-	1	-	
	garlic	unit	-	-	-	1	
	pepper	unit	-	-	1	-	3
	green bean	unit	-	-	2	-	1
	lettuce	unit	-	-	-	3	2
	potato	unit	-	-	-	-	11
	apple	unit	-	-	3	2	3
Fruit	feijoa	unit	2	-	2	-	
	kiwi	unit	-	-	1	-	
Mulberry	Those whose leaves are used for silkworms	unit	1	1	-	-	2
Silkworm		unit	4	7	-	11	
Total			22	14	31	31	73

Source: MOA

**Table 6.5.** Seeds of cereal crops certified during 2014-2016, in tons

	Standard	Pre-basic	Basic	R1	R2
<b>2014</b>	26.2	158.75	2181.0	16308.0	44876.0
<b>2015</b>	41.8	200.2	1612.0	22561.0	43068.0
<b>2016</b>	37.8	223.5	2425.2	20951.58	50656.9
<b>Total</b>	105.8	582.45	6218.2	59820.6	138600.9

Source: MOA

**Table 6.6.** Direct subsidies provided to seed producers at the expense of state budget funds, in million AZN

	For seeds of 1st and 2nd replication	For payment of costs for standard, pre-basic and basic seeds
<b>2011</b>	5.8	0.93
<b>2012</b>	7.4	0.93
<b>2013</b>	7.4	0.92
<b>2014</b>	9.8	0.91
<b>2015</b>	5.3	0.92
<b>Total</b>	35.7	4.61

Source: MOA and MOF

To carry out selection and breeding on a scientific basis and improve the breed composition in livestock farms, high-yielding stud breeds are imported from foreign countries at the expense of funds allocated from the state budget and sold to producers through lease for 3 years, by applying a 50-percent concession to their cost.

Table 6.7 provides information on high-yielding stud breeds imported to the country from abroad in 2011-2015 and provided to producers on favorable lease terms.

State support is provided to artificial insemination in order to improve the breed composition of livestock in farms. In accordance with Decree No.1364, dated August 19, 2015, of the President of the Republic of Azerbaijan “On state support to improvement of breed composition in livestock farming” stipulating provision of a 100 AZN subsidy to livestock owners for every calf born through artificial insemination and the “Rules for providing a subsidy to livestock owners for each calf born through artificial insemination” approved by Decision No.401, dated December 24, 2015, of the Cabinet of Ministers of the Republic of Azerbaijan adopted in connection with the execution of the above decree, 472.2 thousand AZN was paid in the form of subsidies to 4154 livestock owners in 2016.

**State support for agriculture is a factor that accelerates its development.** Considering this factor, the state support for agriculture in Azerbaijan is increased every year (Table 6.8).

State support in the country covers the following areas:

Subsidy for wheat and paddy sowing- Under Decision No.32, dated February 15, 2007 of the Cabinet of Ministers, agricultural producers are given a 40-AZN subsidy per hectare of wheat and paddy grown. Under the same Decision, agricultural producers are given a subsidy in the amount of 50 AZN (in 2011-2014, 40 AZN) for fuel and motor oils used for every hectare.



Subsidy for concessionary sale of mineral fertilizers- In accordance with the above-mentioned Decision of the Cabinet of Ministers, a 70% concession (in 2011-2014, 50%) is applied to the price of mineral fertilizer used per hectare, at the expense of state budget funds.

Under Decision No.103, dated June 25, 2001 of the Cabinet of Ministers, a subsidy is granted for concessionary sale of seeds and seedlings of 1st and 2nd replication in the approved amount.

Besides, costs of production of standard, pre-basic and basic seeds are paid at the expense



of state budget funds based on the quota determined by the Cabinet of Ministers

Under Decision No.273, dated August 13, 2014 of the Cabinet of Ministers, when 20% of the original price of agricultural machinery leased by the Agroleasing OJSC is paid, a concession equal to 40% of the original price is applied at the expense of state budget funds.

In accordance with Decision No.226, dated September 22, 2008 of the Cabinet of Ministers, breeding animals imported at the expense

of state budget funds are sold to agricultural producers through lease with a 50% concession.

As can be seen from Table 6.9, the costs associated with agriculture are growing every year. Thus, they increased by 13% in 2015 compared to 2011. In addition, the amount of added value created in agriculture increased from 2643.5 million AZN in 2011 and reached 3359.3 million AZN in 2015. The increase in value added created in agriculture has also increased the share of this sector in GDP.

**Table 6.7.** Stud breeds imported and sold to producers on favorable lease terms, by headcount

	Cattle	Small ruminants
<b>2011</b>	844	-
<b>2012</b>	3002	-
<b>2013</b>	2563	-
<b>2014</b>	2985	4897
<b>2015</b>	5593	1050
<b>Total</b>	14987	5947

Source: MOA

**Table 6.8.** Direct subsidies and other measures to support the agricultural sector, in million AZN

Costs	by years, in million AZN				
	2011	2012	2013	2014	2015
Subsidy for wheat and paddy sowing	23.40	25.20	24.90	20.10	17.10
Subsidy for fuel and motor oils	52.80	56.70	57.40	51.80	63.20
Subsidy for preferential sale of mineral fertilizers	13.50	17.98	24.90	29.50	54.80
Subsidy for preferential sale of seeds and seedlings of 1st and 2nd replication	5.80	7.40	7.40	9.80	5.30
Subsidy for costs of production of standard, pre-basic and basic seeds	0.93	0.93	0.92	0.91	0.92
Subsidy for preferential sale of agricultural machinery	-	-	-	0.50	11.10
Subsidy for concessionary sale of imported breeding animals	3.10	5.60	6.40	16.40	6.90
Funds allocated to Agroleasing OJSC	35.00	35.00	35.00	35.00	40.00
<b>Total</b>	<b>134.58</b>	<b>148.84</b>	<b>156.95</b>	<b>164.05</b>	<b>199.29</b>

Source: MOA and MOF

**Table 6.9.** Index of allocations to agriculture in the structure of state expenditures

Indicators	2011	2012	2013	2014	2015
Agricultural expenditures, in million AZN	1101.7	1214.1	1280.6	1233.7	1245.4
The share of agriculture in total state expenditures, in percent	7.2	7.0	6.7	6.6	7.0
The amount of added value created in the agricultural sector, in million AZN	2643.5	2813.7	3122.2	3139.2	3359.3
The share of agriculture in GDP, in percent	5.1	5.1	5.4	5.3	6.2
Index of allocations to agriculture	1.4	1.4	1.3	1.3	1.1

Source: MOA and MOF

#### Indicator of price anomalies of food prices.

As part of a project jointly implemented by the Ministry of Agriculture and the UN Food and Agriculture Organization (FAO) as of August 2015, [www.azagro.net](http://www.azagro.net), an electronic information portal on prices of agricultural products, has been created. Through this, the Ministry of Agriculture regularly collects wholesale and retail prices for 400 varieties of 46 types of fruits, vegetables and gardens, and also analyzes price fluctuations.

The information portal on prices of agricultural products was improved in 2017. Thus, the portal has been equipped with a new database covering wholesale and retail prices, farm-gate prices and supplier purchase prices on livestock products, cereal products, technical crops and some agricultural production means.

capabilities have been expanding since early 2000s. Thus, the amount of funds allocated from the state budget for healthcare has increased by more than 17.3 times in 2000-2015, and substantial financial resources have been allocated for the construction, repair, restoration and reconstruction of healthcare facilities. In 2016, 702.5 million AZN was allocated from the state budget for healthcare, which accounts for 3.96% of budget expenditures.

In addition, compulsory medical insurance has started to be applied as one of the most important measures in the direction of increasing public access to medical services in Azerbaijan, stimulating provision of high-quality medical services and establishing sustainable financial sources in the field of healthcare. To this end, in 2016, the statute and structure of the State Agency for Compulsory Medical Insurance under the Cabinet of Ministers of the Republic of Azerbaijan was approved, and work was started in two pilot regions.



#### GOAL 3. Ensure healthy lives and promote well-being for all at all ages

##### State care for maternal and child health is steadily growing.

In Azerbaijan, as elsewhere, a healthy life is considered one of the main conditions for sustainable development. To this end, provision of quality and affordable medical services to the population of the country occupies a special place in the country's social and economic development strategy. There is state care for improving overall public health, including maternal and child health, and further growth of this care is observed as the country's





By Decision No.211, dated September 15, 2006, of the Cabinet of Ministers of the Republic of Azerbaijan, “Program of Measures on Protection of Maternal and Child Health” was approved. The main goal of the program is to strengthen maternal and child health, protect reproductive health, create the necessary conditions for the birth of healthy and desired children, and reduce morbidity and mortality among mothers and children.

As a follow-up to this program, the “State Program on improvement of maternal and child health for 2014-2020” was approved by the Decree of June 13, 2014 of the President of the Republic of Azerbaijan. The main goal of this program is to improve the quality of treatment and preventive care provided to women and children in the country and further improves their health status. Table 6.10 shows the maternal mortality situation in the country.

**Table 6.10.** Maternal mortality (per 100 thousand live births)

	2000	2010	2011	2012	2013	2014	2015	2016
Maternal mortality per 100,000 live births	37.6	15.7	15.3	14.9	14.5	14.6	14.4	13.8

Source: SSC

As can be seen from Table 6.10, although maternal mortality increased significantly during the transition period reaching 37.6 per 100,000 live births, the steps taken to improve maternal health in subsequent years have led to improvements in this area. Thus, this figure

decreased to 14.4 in 2000-2015 and to 13.8 in 2016.

The increase in the share of births attended by skilled medical staff also had a positive impact on the improvement of the situation in this area during this period (Table 6.11).

**Table 6.11.** The share of births attended by skilled health personnel

	2000	2010	2011	2012	2013	2014	2015
The share of births attended by skilled medical staff, in percentage	92.1	99.6	99.7	99.8	99.9	99.9	99.8

Source: SSC



During the period under review, the situation with the mortality rate among children under the age of 5 in the country has also improved significantly. Thus, the mortality rate among children under the age of 5 declined from 30.5 to 13.3 per 1,000 live births in 2000-2015 (Table 6.12).

The analyses show that a slight quantitative increase in this indicator in 2015 and 2016 is associated with the negative processes occurring all over the world in these years and is temporary in nature.

**Table 6.12.** Mortality among children under the age of 5 (per 1,000 live births)

	2000	2010	2011	2012	2013	2014	2015	2016
Mortality among children under the age of 5 (per 1,000 live births)	30.5	14.2	13.5	13.0	12.9	12.6	13.3	13.8

Source: SSC

**Neonatal mortality.** During 2011-2015, the number of infants who died in the neonatal period dropped from 1152 to 981 or from 6.5 to 5.9 per 1,000 live births. In 2016 neonatal mortality rate dropped to 5.5 per 1,000 live births.

In addition to the above-mentioned State Programs on the protection of maternal and child health, the Law of the Republic of Azerbaijan “On compulsory dispensarization of children” has been adopted. According to the Ministry of Health, more than 92% of children were examined in 2015 as part of the Program on compulsory dispensarization of children. 6% of children who underwent the medical examination were registered with the dispensary, and 1% were hospitalized in specialized medical institutions.

Adopted in 1999, first ever in the region of Eastern Europe and CIS, the “Concept of the demographic development of the Republic of Azerbaijan” and, developed on its basis and approved by the Decree of November 11, 2004 of the President of the Republic of Azerbaijan, the “State Program on the development of demography and population occupancy in the Republic of Azerbaijan” have also played a special role. The measures envisaged by these political documents are aimed at optimal reproduction of the population, prolongation of

life expectancy, strengthening of the protection of mothers and children, creation of a socio-economic basis that promotes the development of families, and improving the effectiveness of the regulation of migration processes.

**Combating HIV.** Important measures are carried out in the Republic of Azerbaijan in the field of detection and prevention of HIV and treatment of HIV-infected people, as part of efforts to combat this infection. The adoption of Law No.1001-IIIQ, dated May 11, 2010, of the Republic of Azerbaijan “On combating disease caused by human immunodeficiency virus” has laid the groundwork for the implementation of comprehensive measures against this infection.

Azerbaijan is among the countries with a low rate of HIV infection. In total, at the end of 2015, the number of people registered as infected with HIV/AIDS in the country was 5,629. Table 6.13 shows the number of people newly infected with HIV per 1000 healthy people in the period 2010-2015. As can be seen from the table, this indicator has seen a rise from 0.05 to 0.07. An upward trend has been observed in both men and women. In 2015, the figure for men increased by 66.7% compared to 2010 or from 0.06 to 0.1, and for women it increased by 2.5 times or from 0.02 to 0.05.

**Table 6.13.** Number of people newly infected with HIV per 1,000 healthy people

	2010	2011	2012	2013	2014	2015
Total	0.05	0.06	0.05	0.05	0.06	0.07
including:						
men	0.06	0.09	0.07	0.07	0.08	0.10
women	0.02	0.03	0.03	0.04	0.05	0.05

Source: SSC

On February 17, 2016, the Cabinet of Ministers of the Republic of Azerbaijan adopted Decision No.63 on approval of the “Program of Measures to Combat HIV/AIDS for 2016-2020”. The Program of Measures has been developed in accordance with “Azerbaijan 2020: Outlook for the Future” Development Concept and will cover a number of measures in the field of combating HIV in the mentioned period.

**Other infectious diseases.** Analyses show that as a result of consistent and sustained measures, the spread of infectious diseases such as tuberculosis, malaria, hepatitis B and tropical diseases has been prevented, and the incidence of these diseases has decreased (Table 6.14).

**Table 6.14.** The number of people infected with tuberculosis, malaria, hepatitis B and tropical diseases

	2000	2010	2011	2012	2013	2014	2015
3.3.2. The number of people infected with tuberculosis, per 100,000 population	64.3	53.7	53.4	50.3	48.7	46.6	41.9
3.3.3. Malaria, per 100,000 population	19.4	0.6	0.1	0.03	-	-	-
3.3.4. Hepatitis B, per 100,000 population	2.5	4.1	2.8	2.8	2.4	1.9	1.5
3.3.5. The number of people who need to be treated for tropical diseases but do not get enough attention	Tropical diseases not detected						

Source: SSC and MOH

A number of normative documents have been prepared and the strategies recommended by WHO have been adopted to meet the requirements arising from the Law of the Republic of Azerbaijan “On Combating Tuberculosis in the Republic of Azerbaijan”. In addition, the “Action program to combat tuberculosis for 2011-2015”, approved by the Decision No.226 of November 26, 2010 of the Cabinet of Ministers of the Republic of Azerbaijan, has been adopted. After the adoption of the program, a number of medical institutions involved in the fight against tuberculosis were built or repaired in the country and their material and technical base was strengthened. As can be seen from Table 6.14, during the implementation of this program, the number of people infected with

tuberculosis per 100,000 population decreased from 53.7 in 2010 to 41.9 in 2015.

Following this program, the “Action Program on fight against tuberculosis for 2016-2020” was approved by Decision No.16 of January 28, 2016 of the Cabinet of Ministers of the Republic of Azerbaijan. The main objective of the Action Program is to reduce the spread of tuberculosis and the rate of disability and mortality from this disease in the Republic of Azerbaijan. Below are the expected results of this program:

- early detection of cases of the disease;
- increased recovery rate through timely treatment of identified patients;



- prevention of nosocomial infection by strengthening anti-epidemic measures in health facilities;
- improved registration of TB patients;
- reduced incidence of disability and mortality from tuberculosis;;
- raising public awareness of tuberculosis prevention.

Judging from Table 6.14, as a result of the measures carried out, the epidemiological situation with malaria in our country has improved, and in fact, no case of malaria has been registered since 2013, and similarly no cases of tropical diseases have been detected. As for the hepatitis B virus, Decision No.18 made by the WHO Assembly in 2010 has been adopted with a view to strengthening efforts to combat hepatitis viruses in the country. According to this Decision, July 28 was declared as World Hepatitis Day.

According to the Ministry of Health, as part of the ongoing fight against hepatitis B and C in the country in 2016, a commission set up in the Ministry of Health examined 2,648 patients, of which 1,766 are receiving long-term treatment and provided free medicines. Overall, the ratio of people infected with hepatitis B virus, which constituted 4.1 per 100,000 populations in 2010, dropped 1.5 per 100,000 people in 2015.

At present, the main task in these areas is to maintain the downward trend.

**The fight against cardiovascular disease, cancer, diabetes and chronic respiratory diseases** also takes center stage in the country. Studies have shown that over the past 10 years the incidence of circulatory system in the country has increased by 5%, respiratory diseases by 11%, endocrine system diseases by 2.5 times, including diabetes mellitus by 3.7 times, nervous system disorders by 15%, and malignant neoplasms by 30%. During this period, the global incidence of non-infectious diseases (NIDs) increased by about 14%. In Azerbaijan, as in most countries, NIDs are the main causes of morbidity and mortality. In the structure of morbidity, NIDs constitute more than 50%, of which 17.6% are circulatory system diseases, 15% respiratory diseases, 15% endocrine system diseases, and 2.7% malignant neoplasms [Strategy for Combating Non-Infectious Diseases for 2015-2020 in the Republic of Azerbaijan].



If we look at the data in Table 6.15, the proportion of deaths from NIDs in total mortality in Azerbaijan has increased over the past 5 years.

**Table 6.15.** Mortality from cardiovascular disease, cancer, diabetes and chronic respiratory diseases, in percentage

	2000	2010	2011	2012	2013	2014	2015	2016
Mortality from cardiovascular disease, cancer, diabetes and chronic respiratory diseases	78.3	79.6	78.0	78.8	79.5	77.7	78.7	80.5
Mortality from circulatory system	56.1	60.8	61.1	63.3	63.2	59.8	60.0	60.2
Mortality from diabetes	2.3	2.0	1.7	1.6	1.7	1.8	2.3	2.5
Mortality from cancer	10.9	12.4	11.2	10.7	11.8	12.6	13.3	14.6
Mortality from chronic respiratory diseases	9.0	4.4	4.0	3.2	2.8	3.5	3.1	3.2

Source: SSC



As part of the fight against NIDs, the country has developed the “Strategy for combating non-infectious diseases in the Republic of Azerbaijan for 2015-2020” (here in after referred to as the Strategy) on the basis of the Development Concept “Azerbaijan 2020: Outlook for the Future” with the aim of improving the health of the population, achieving the greatest possible reduction in the rate of premature deaths from NIDs and increasing public awareness in the fight against disease. This strategy was approved by Order dated December 23, 2015 of the President of the Republic of Azerbaijan.

The strategy document approved in respect of NIDs is aimed at combating NIDs in general. However, separate important state documents have also been adopted on the diseases belonging to NIDs. The “State Program on Diabetes Mellitus” covering the period 2006-2010 in accordance with Decision No.101 dated June 7, 2005 of the Cabinet of Ministers of the Republic of Azerbaijan pursuant to Decree No.32 dated February 12, 2004 of the President of the Republic of Azerbaijan “On the implementation of the Law of the Republic of Azerbaijan on state care for people with diabetes mellitus” can be shown as an example. During the period after the adoption of the state program, the provision of patients suffering from diabetes mellitus with medicines has significantly improved, and most patients have been provided with self-monitoring devices, blood glucose meters. In addition, as a logical extension of this State Program, the “Action Program on diabetes mellitus for 2011-2015” was approved by Decision No.222 dated November 26, 2010 of the Cabinet of Ministers of the Republic of Azerbaijan. As a result of the action program, diabetes education schools have been created in medical facilities and this network has been expanded for prevention of complications of diabetes mellitus. Currently, such schools operate in Nakhchivan Autonomous Republic, Baku, Ganja, Sumgait and Mingachevir cities, Salyan, Shirvan, Lankaran, Shaki, Barda and Balakan regions. At the same time, as a result of improving the work to identify patients with diabetes, the number of registered patients over the past 10 years has increased more than 3 times, and the death rate from this disease has decreased by more than 2 times.

Besides, the “State Program on diabetes mellitus disease for 2016-2020” has been approved by Decision No.15 dated January 28, 2016 of the Cabinet of Ministers of the Republic of Azerbaijan. As a continuation of previous programs, this State Program was also aimed at prevention of diabetes mellitus, improvement of patient care and prevention of complications caused by this disease.

High rates of morbidity and mortality from malignant tumors give grounds for treating the fight against these diseases as one of the priority areas of the state. In recent years, the mortality rate from neoplasms has increased among the population of the country (Table 6.15). In this regard, the “Action Program on the provision of oncological patients with basic anti-tumor medicines” was approved by Decision No.178 dated July 19, 2006 of the Cabinet of Ministers of the Republic of Azerbaijan with a view to improving the quality of treatment of oncological patients in the country and providing them with medicines. After the adoption of the program, significant progress has been made in the fight against malignant tumors. The material and technical base of health facilities providing oncological care has been improved. The National Oncology Center is equipped with the most modern medical equipment, including a mobile diagnostic complex.

The number of chemotherapy drugs purchased for oncological patients, which was 14, 27 and 37 in the period 2006-2008, reached 46 in 2012 [25].

**Deaths by suicide (self-murder).** In 2015, 240 suicides were registered in the country, and in 2016, 295 suicides were registered, which was about 2.5 cases per 100 000 population in 2015 and constituted 3.1 case in 2016. In 2010-2015, the ratio of deaths from suicide to the total number of deaths by country decreased from 0.6% to 0.4%. In 2016 this indicator constituted 0.5%.

Carrying out the necessary investigative actions in connection with each case of suicide and obtaining expert conclusions of forensic psychiatric and psychological examinations

related to each case, the prosecutor's offices have determined the causes and circumstances of occurrence of these cases.

As is seen from the table 6.16, the population morbidity due to alcohol abuse, drug abuse and toxicomania are inclined to increase. This is mainly related to increase in drug abuse.

Specifically, the number of drug abusers per 100,000 populations registered with primary care units reached 297.9 persons in 2015 after an increase of 21.2 persons since 2010. The figure rose even more in 2016 before it reached 303.9 persons. The period under review saw an increase in the number of toxicomania patients as well.

**Table 6.16.** Morbidity of population with alcohol abuse, drug abuse and toxicomania  
(number of patients registered with primary care units per 100,000 population)

	2000	2005	2010	2011	2012	2013	2014	2015	2016
Diagnosis of mental or behavioral disorder caused by the use of alcohol, drugs or toxic substances	421.7	441.6	499.7	514.7	532.2	535.5	539.3	526.9	532.2
Of them									
alcohol abuse and alcohol-related psychosis	245.1	230.1	221.6	222.9	228.5	230.7	235.2	227.2	226.1
drug abuse	175.3	210.1	276.7	290.4	302.2	303.3	302.4	297.9	303.9
toxicomania	1.3	1.4	1.4	1.4	1.4	1.4	1.6	1.6	1.9
use of several drugs and use of other psychoactive substances	...	...	...	...	0.1	0.1	0.1	0.2	0.3

Source: SSC

Taking into account the importance of helping people suffering from drug addiction return to normal life and society, the President of the Republic of Azerbaijan approved by Decree No.371 dated July 15, 2000 and Order No.2271 dated June 28, 2007 the "Program on combating illicit trafficking in drugs, psychotropic substances and their precursors and spread of drug addiction" and the "Program on combating illicit trafficking in drugs, psychotropic substances and their precursors and spread of drug addiction (for 2007-2012)" have been successfully implemented.

The "State Program (for 2013-2018) on combating illicit trafficking in drugs, psychotropic substances and their precursors

and spread of drug addiction for the next 5-year period" has been approved by Order No. 2966 dated June 24, 2013 of the President. To ensure compliance with sub-item 4.2.7 of the Action Plan for the implementation of this Program, the "Program on treatment, rehabilitation and re-socialization of persons suffering from drug addiction" has been approved by Decision No.276 dated August 13, 2014 of the Cabinet of Ministers of the Republic of Azerbaijan.

**The number of deaths caused by road accidents.** In 2010-2016, the highest rate of deaths from road traffic accidents was in 2013 (1293 people), and the lowest was in 2016 (829 people) (Table 6.17).

**Table 6.17.** The number of road traffic deaths

	2010	2011	2012	2013	2014	2015	2016
Road traffic deaths, persons	1005	1070	1233	1293	1140	953	829
Share in the total number of deaths, in percentage	1.9	2.0	2.2	2.4	2.0	1.7	1.5

Source: SSC

Taking into account the fact that fatal traffic accidents happen mainly at night, strengthening the operational mode of road patrol officers

during night hours, warning drivers about hazardous areas (bad road, dangerous bend, etc.) by using flashing light of a road patrol

car in areas with a regular incidence of road accidents, and other serious measures have been taken to prevent road accidents.

**Ensuring reproductive health.** According to available data (from 2011), the share of women in the country being of reproductive age (15-49 years old) and meeting their family planning needs via modern methods constituted 8%. This figure has been taken from the Demographic and Health Survey conducted by the Ministry of Health in 2011. A measure concerning the

next survey has been included in the draft “State Program of the Republic of Azerbaijan on population occupancy and demographic development (for 2017-2030)”.

The share of children born to women aged 15-19 in the total number of live births dropped from 11.9% in 2011 to 11.6% in 2015, and the number of live births per 1,000 women in this age group decreased from 56.7 to 52.4. In 2016 this figure has been 52.8 (Table 6.18).

**Table 6.18.** Childbirth among adolescents in the respective age groups (15-19 years), per 1000 women

	2010	2011	2012	2013	2014	2015	2016
Childbirth among adolescents in the respective age groups (15-19 years), per 1000 women, persons	60.0	56.7	53.3	47.2	52.9	52.4	52.8

Source: SSC

Developed first ever in the European and CIS region by Azerbaijani experts and approved by the Ministry of Health, the “National strategy on reproductive health” (2008-2015) has been of great importance.

The Human Rights Commissioner (Ombudsman) of the Republic of Azerbaijan has called on the National Parliament to speed up the adoption of the bill “On reproductive health” in order to organize issues related to the protection of reproductive health of the country’s population at the level of modern standards.

Besides, work is currently underway in this sphere to prepare the “Reproductive

Health Strategy in Azerbaijan” with a view to implementing the tasks being assigned for 2017-2025.

**Coverage of main healthcare - sanitation services.** Table 6.19 shows the number of live births and the share of persons treated for infectious and parasitic diseases in the hospital. In 2015, the number of live births increased by 0.3% compared to 2010 and amounted to 166210 people. In the same period, the share of people treated for infectious and parasitic diseases declined from 4.4% to 4%. In 2016 this figure rose to 4.5%.

**Table 6.19.** The share of people treated for infectious and parasitic diseases in the hospital, in percentage

	2010	2011	2012	2013	2014	2015	2016
The number of live births	165643	176072	174469	172671	170503	166210	159464
The share of people treated for infectious and parasitic diseases in the hospital, in percentage	4.4	4.3	4.0	4.2	4.3	4.0	4.5

Source: MOH

**Health insurance.** Mandatory health insurance is implemented as a pilot project in administrative areas of Mingachevir city and Yevlakh district. In the framework of mandatory health insurance, 228.1 thousand people

(100% of the population) registered in the pilot areas are covered by the benefit package of healthcare services. Insurance coverage of the entire population has been set as a goal for the

future, when mandatory health insurance will be applied throughout the country.

**Use of tobacco.** As a result of studies conducted by the Ministry of Health of the Republic of Azerbaijan in connection with NIDs, it has been found that the vast majority of the

occurrence of NIDs is associated with tobacco use, overweight and unhealthy diets. Although in 2013 and 2014, the level of use of tobacco products among people above 15 years of age increased amounting to 18.4% and 18.2%, in 2015 this figure dropped to 17% and in 2016 to 16.2% (Table 6.20).

**Table 6.20.** Smoking rate among people above 15 years of age

	2010	2011	2012	2013	2014	2015	2016
Smoking rate among people above 15 years of age, in percentage	17.0	16.7	16.5	18.4	18.2	17.0	16.2

Source: SSC

It is expected that the widespread use of effective measures recommended by WHO in combating NIDs will contribute to progress in this direction in the country. Besides, achieving a 10% reduction in tobacco use in the country in 2020 than in 2014 is among the goals of the “Strategy on combating non-infectious diseases in the Republic of Azerbaijan for 2015-2020”.

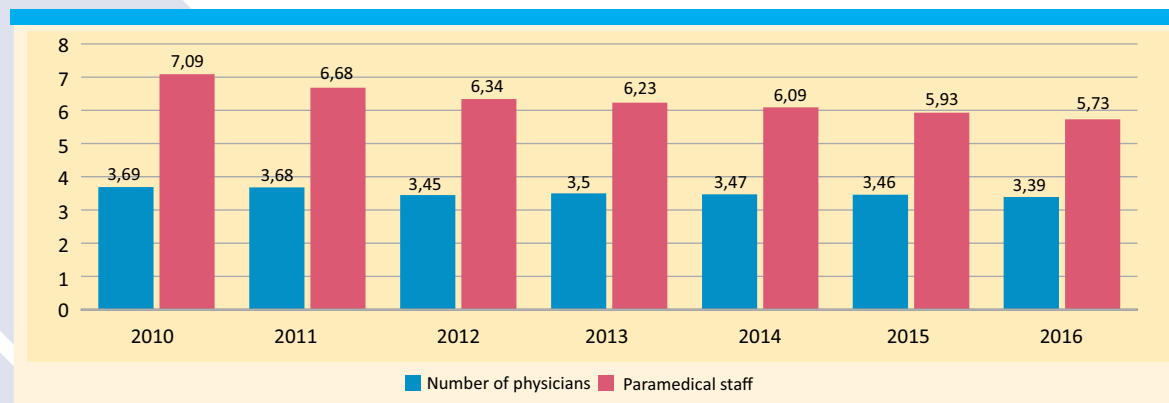
**Number of health workers.** At present, the reforms in the medical education and personnel training system in the country serve the development of healthcare on the basis of international standards. In recent years, extremely important measures have been taken in the country in this area. In this respect, one of the most necessary and important issues is to bring the physician specialties used in the country into conformity with the register adopted in developed countries of the world and to the Law on

Education. To this end, the Ministry of Health has prepared a new list of doctor’s specialties for use in institutions. The new list includes 40 different specialties and the nomenclature of positions of the specialists working in healthcare facilities has been approved in accordance with these specialties. In addition, the threshold numbers for providing the population with medical personnel and beds have been determined.

At present, there are 3.39 physicians and 5.73 mid-level health workers per 1,000 population in the health sector (Figure 6.1). As of January 2011, universally accepted certification of medical workers is being implemented.

Azerbaijan Medical University, Azerbaijan State Advanced Training Institute for Doctors, and 11 scientific research institutes and centers are functioning in the country.

**Figure 6.1.** Dynamics of health workers per 1000 population



Source: SSC



**GOAL 5. Achieve gender equality and empower all women and girls**

The gender problem and ensuring gender equality are among the current problems

in Azerbaijan, as in many countries around the world. Achieving gender equality and empowering women and girls are the keys to sustainable development. Gender equality is also a necessary prerequisite for reducing poverty, ensuring sustainable development and building good governance. The main goal of the policy pursued in this direction in Azerbaijan is to achieve gender equality by eliminating all forms of gender-based discrimination and creating equal opportunities for men and women in political, economic, social, cultural and other spheres of society life. Protecting women's rights, increasing their social and political activism, and promoting gender equality have always been attached great importance in foreign policy. According to data for early 2017, women constituted 50.14% of Azerbaijan's population and share of women is 48.2% in total employed people. The share of women among entrepreneurs has also risen to 20.9%.

78.1% of teachers employed by general educational institutions, 76.1% of teachers at specialized high schools, 51.9% of teachers



at higher educational institutions and 64.9% of doctors are female. The women play an exclusive role in the development of science as well. 56.0% of science employees are female. The last 5 years saw a twofold increase in the number of women with DSc and PhD degree. 9 of the active and 12 of the corresponding members of the Azerbaijan National Academy of Sciences are female.

In 2015, Azerbaijan ranked 68th among 188 countries in Gender Inequality Index with a score of 0.326. This score was 0.340 in 2013 and 0.303 in 2014. It should be noted Gender Inequality Index (GII) is calculated on the basis of three criteria: reproductive health, empowerment (participation in parliament and education level) and labor market indicators. As a result of measures taken so far, gender equality has been achieved in the field of secondary and higher education (the ratio of educated women aged 15-24 to men of the same age is 100%).





Maintenance of this equality during the rapid social and economic development in the country is one of the main priorities of the Azerbaijani government. Significant progress has been made in eliminating gender inequality at all levels of education. 46.5% of the pupils of general education institutions are female, while 48.3% of the students of higher educational institutions are female. In institutions of secondary vocational education, girls predominate (66.4%).

**The following can be attributed to the regulatory legislative framework that promotes and ensures gender equality and non-discrimination:**

- Constitution of the Republic of Azerbaijan, Family Code, Labor Code, Criminal Code, Civil Code and Administrative Offenses Code;
- Decree No. 289 dated March 6, 2000 of the President of the Republic of Azerbaijan “On the implementation of the state policy regarding women in Azerbaijan”;
- “Statue of the State Committee of the Republic of Azerbaijan for Family, Women and Children Affairs” approved by Decree No.444 dated August 9, 2006 of the President of the Republic of Azerbaijan;
- Law No.150-IIIQ dated October 10, 2006 of the Republic of Azerbaijan “On guarantees of gender (men and women) equality”, and Law dated June 22, 2010 of the Republic of Azerbaijan “On prevention of domestic violence”;
- In accordance with Decree dated January 14, 1998, the State Committee for Women’s Issues was established to implement the gender policy. On the basis of the competences of the State Committee for Women’s Issues created in 1998, the State Committee for Family, Women and Children Affairs was established under Decree dated February 6, 2006 of the President of the Republic of Azerbaijan.

Also, Azerbaijan has acceded to all major international agreements in the field of gender

equality, including the CEDAW, the Beijing Declaration and Platform for Action, the Millennium Declaration and the Millennium Development Goals.

The gender equality strategy for 2014-2017 adopted by the United Nations Development Program (UNDP) provides for issues such as the development of gender equality and the empowerment of women.

According to the Demographic and Health survey conducted in 2011, the share of women aged 20-24, who had entered into marriage or union before the age of 15 and 18, constituted 1.9% that year.

In order to solve the problem of early marriages in the country, the Family Code was amended and the minimum age for marriage for girls was increased to 18 years, equaling the minimum age for boys. As a result, the number of early marriages in the country, which was 5138 in 2011, dropped to 388 in 2015.

**The share of seats held by women in the country’s parliament and local authorities.** The share of seats held by women in the country’s parliament, which amounted to 4.3% in 1990 and 10.7% in 2000, reached 16% in 2010 and 16.8% in 2015. One of the three deputy chairpersons of the National Parliament and the country’s first national Ombudsman is a woman. In the municipal elections of December 2014, 5,236 women were elected as members of municipalities, thereby constituting 35% of the total number of members of municipalities. The figure was only 4% in the first municipal elections of 2004. By the end of 2016, the number of female deputies of the heads of 87 local executive power bodies was 80. In general, the share of women as a percentage of total number of civil servants was 28.6%. The share of women in the position of judge is also growing steadily. Thus, this figure has increased from 11.5% in 2010 to 12.2% in 2016.

One of the goals of the “State Program on poverty reduction and sustainable development in the Republic of Azerbaijan for 2008-2015”. The goal was mainly aimed at increasing the participation of women among the heads of



central executive bodies, parliamentarians, members of municipalities and judges. As a result of the measures taken to support women's leadership, some progress has been made in the representation of women at the decision-making level in the country. Although women are represented in all spheres of society in the country, their number in management positions is not satisfactory. Even in the social spheres where women make up the majority, the number of women in management positions is low.

During the 2010-2016 years the share of women in management positions in classifications 4-7 of civil service increased 0.2 percentage point from 9.7% to 9.9%.

According to agricultural census data for 2015, the share of women in the total number of people engaged in agricultural work was 48.6%.

According to agricultural census data of 2015, the share of female farm managers in the total number of farm managers that owned and/or used lands as individual entrepreneur, family-peasant and household farms was 9.4%.

In 2015, the number of mobile phone user per 100 people has increased to 112 and internet user to 77. This shows that the country has created broad opportunities for the women to actively join modern information society.

To more effectively define the rights of women in the country, the Ombudsman has suggested appointing an adviser specializing in women's rights and gender equality, teaching "human rights" and "gender issues" at the Faculty of Law and other faculties of the Baku State University, and continuing personal training on human rights at the postgraduate level of the Faculty of Law.

**Goals related to gender issues:** Studies show that the following can be regarded as priority issues in the field of gender policy in Azerbaijan.

- The goal has been set to conduct gender analysis and ensure that women's level of representation in all state institutions of the country is at the same level as men;

- Create a new mechanism based on the understanding of women's independence in all fields of society life;
- Strengthen in work to create Women's Resource Centers under the Heydar Aliyev Centers serving to improve skills and abilities of women.
- Accelerating works on develop and accept the "Strategy of the Azerbaijani Family", the National Action Plan on Gender Equality, the "Children's Code" and the "National Children's Strategy". Furthermore, one of the goals set is the establishment of the "Family Psychologist" Institute, help centers and shelters for people subjected to domestic violence, and a system for monitoring cases of violence, evasion of education and early marriage in the country.
- "Development and promotion of women's entrepreneurship" in the country is one of the main goals. The main problems in this direction are limited knowledge of women in the field of business, their lack of access to information is not enough, and their financial and infrastructural difficulties. To achieve this goal, it is needed to strengthen measures to support women entrepreneurs mainly in the regions in the field of business formation and management.

In addition to the foregoing, it is proposed to intensify measures with a view to eliminate specific problems such as those mentioned below.

Ensure establishment of a statistical data bank on all forms of violence against women, including cases of discrimination, as well as domestic violence and regular data collection for reliable statistical evaluation (since it is necessary to divide the figures related to the development course at the global, regional, national and local levels according to gender, because such gender statistics demonstrate problems not clearly explained by the general statistics in many cases);

In the regions of Azerbaijan, women still do not have the same opportunities as men, due to violence, political and economic marginalization, and discrimination in hiring



and difficulties in harmonizing professional and personal life. There is a need to conduct awareness-raising work on gender equality between men and women;

It would be appropriate to create effective mechanisms for taking the necessary measures against legal entities and individuals, who have discriminated on the basis of gender, in the relevant area in the legislation;

Considering the fact that the rates of domestic violence against women in Azerbaijan are 8-9 times higher than human trafficking rates and lead to serious consequences and undermines families, it is extremely important to redouble attention to this problem and to create a center for state assistance to victims of domestic violence. Despite the fact that comprehensive and effective remedies for victims of domestic violence have been created in this regard, it is necessary to adopt a National Action Plan for the Prevention of Domestic Violence;

Conducting research and monitoring in relevant local institutions, communities, families, institutions, enterprises and organizations and preparing a final report on their basis in order to study the situation in the field of gender equality was useful;

Establishing a “network of active women” consisting of women politicians, entrepreneurs and representatives of various non-governmental organizations and organizing it in a way to contribute to ensuring gender equality;

Another problem is related to the early marriages which lead to delivery of births by girls aged 15-17. It is crucial to strengthen measures with a view to prevent this issue in light of the reproductive health, a key criteria of gender equality.

One of the most serious gender-related problems in Azerbaijan is associated with the occupation of 20% of Azerbaijan’s territory as a result of the military aggression of Armenia and the resettlement of more than one million refugees and internally displaced persons in the country. Women (more than 400,000) and children (more than 300,000), who constitute the majority of these and have lost their homes, jobs and family members. They are among those victims who suffer most as a result of this invasion. Therefore, liberation of occupied territories and ensuring of safe repatriation of refugees and IDPs and their decent life is very crucial in terms of the restoration of the violated rights of female refugees and IDPs.



**GOAL 9. Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation**

**National peculiarities.**

The effectiveness of investments aimed at developing infrastructure, industrialization and innovation is a guarantee of economic growth, social development and environmental security. The main infrastructure units in accordance with this goal include roads, information and communication technologies, clean drinking water and electricity supply.



Important steps have been taken to improve the infrastructure in Azerbaijan. Main infrastructural fields, especially the road infrastructure has developed thanks to an increase in state



budget expenditures directed to improving the infrastructure for a long time. Therefore, according to the information of the Ministry of transport, communications and highly technologies of the Republic of Azerbaijan now Azerbaijan has an advanced transport system consisting of 19000 km roads, 289 km railway lines, and 5355 km main pipelines. In 2016, the volume of freight and passenger transportation in general transport, respectively, increased by 1.1 and 1.4 times, compared with 2010. A greater increase is characteristic for road transport in freight transportation and air transport in passenger transportation. The application of information and communication technologies of the infrastructure has been developed, and ASAN Service centers providing services to citizens based on the “one-stop shop” principle, an ASAN Payment system, an ASAN Utility center, an ASAN Visa system and ASAN Train services have been launched.

The volume of services provided by these organizations has been shown as follows (as of April 26, 2017) in Table 6.21.

**Table 6.21.** Volume of services introduced by “ASAN” Service centers

Type of service	Period for which the data are presented	Quantity
ASAN Service centers	2013-2017	14,947,648 application
ASAN Payment portal	2015-2017	160,584 payments
ASAN Utility	2017	18,414 applications
ASAN Visa	2017	52,634 visas
ASAN Train	2017	15,481 applications

Source: Source: State Agency for Public Service and Social Innovations

Along with the mining industry, the manufactured industry is also being developed in the country's industry. The share of added value created in the manufacturing in 2016 made up 5.2% of GDP, and the share of people employed

in this industrial sector amounted to 5.1% of the total employed population. The added value created in the manufacturing increased by 1.3 times over the past 7 years, and its per capita volume amounted to 323.6 AZN.

However, analysis show that, the employment rate in the manufacturing has not increased that much. It is known that small enterprises play an indispensable role in the development of industry and providing employment in family farms. According to the statistics for 2010-2016, it can be said that the share of small enterprises in the net industrial product has not exceeded 2.2%. In 2016, the share of small enterprises in net industrial output was 2.1%.

Analysis show that, the share of added value created in mid- and high-tech fields of manufacturing in the total added value produced in this sector of industry is growing every year. This indicator for the country was 18.5% in 2016. It should be noted that this indicator was 9.1% in 2010, 10.5% in 2012 and 13.7% in 2014. Currently, the increased level of this indicator is associated with support for technological development.

SDG is aimed at sustainable development within the context of continuing development. The goal of environmental protection, which is one of the main parts for sustainable development, is an indicator of the importance of ensuring environmental cleanliness while developing technologies in the industry. The main evaluation indicator here is the achievement of a decreasing in CO<sub>2</sub> emissions. CO<sub>2</sub> emissions per unit of value added (in US dollars) in Azerbaijan are 0.3 kg. According to World Bank statistics for 2003-2014, CO<sub>2</sub> emissions in manufacturing and construction are increasing. The share of CO<sub>2</sub> emissions in manufacturing and construction in the total amount of fuel emissions in Azerbaijan increased from 6.2%

in 2010 to 7.5% in 2014. The global average of this indicator is 19.9% in 2014 and is increasing compared to previous years. Therefore, work has begun on the transition to “green” technologies and the effective use of alternative energy sources. The State Agency on Alternative and Renewable Energy Sources is actively involved in the process of implementing the targets for this goal, which aims to reduce growing CO<sub>2</sub> emissions in Azerbaijan. By reducing CO<sub>2</sub> emissions, the country also reduces its volume per unit of value added.

**Research and development (R&D) expenditures.** The best world practices show that the development of both infrastructure and industry is linked with the development of innovations, which, in its turn, is a result of research and development expenditures. Table 6.22 shows that research and development expenditures in the state budget constitute 0.2% of GDP. This figure hasn’t changed in last 6 years.



**The number of researchers.** The table 6.23 shows the ratio of researchers engaged in scientific research work in the country per 1,000,000 populations.

**Table 6.22.** Research and development (R&D) expenditures

	2010	2011	2012	2013	2014	2015
Expenditure (in million AZN)	92.8	109.8	117.3	122.0	123.8	120.9
The share in GDP, in percentage	0.2	0.2	0.2	0.2	0.2	0.2

Source: SSC

**Table 6.23.** The number of researchers per 1,000,000 population

	2010	2011	2012	2013	2014	2015	2016
The number of researchers per 1,000,000 population	1228.0	1305.0	1666.0	1687.0	1725.0	1683.0	1623.0

Source: SSC



The number of researchers per 1 000 000 population in 2015 was 1,683, which was 27% higher in comparison with 2010 (1,228 researchers). The figure was 1,623 in 2016.

One of the main indicators of innovation-oriented development is the share of population covered by the mobile network. In 2015, 99.9% of the population was covered by the mobile network.

At present, the state's economic policy is continued to achieve the targets in the development of industrialization, innovations and infrastructure in the country. Currently, numerous programs are being developed to increase net product and employment in the processing industry. These include: "State Program on the development of industry in the Republic of Azerbaijan for 2015-2020"; "State Program on socio-economic development of regions of the Republic of Azerbaijan for 2014-2018"; "Strategic Roadmap for the development of heavy industry and mechanical engineering"; "Strategic Roadmap for the development of oil and gas industry (including chemical products) in the Republic of Azerbaijan"; "Strategic Roadmap for the development of utilities (electricity and heating energy, water and gas) in the Republic of Azerbaijan"; and, "Strategic Roadmap for the development of financial services in the Republic of Azerbaijan", which aims to expand access to financial services, including affordable loans, for small industrial and other enterprises.

Also, to ensure that re-industrialization in the country meets modern challenges, the introduction and development of innovations by attracting residents to industrial parks, industrial districts and technology parks is encouraged through various concessions (tax, custom and etc.). Now Sumgait Chemical Industrial Park, Balakhani Industrial Park, Mingachevir Industrial Park, Garadagh Industrial Park, Pirallahi Industrial Park, Neftchala Industrial District, Masalli Industrial District are working in the country.

#### **Support from international partners.**

Implemented of the EU technical assistance project, entitled "Support for the development

of the industrial sector and the Industry department of the Ministry of Economy in Azerbaijan" and aimed at accelerating the development of industry (was completed in 2016). Currently the EU technical assistance project entitled "Enhancing the competitiveness of the non-oil sector of the economy in Azerbaijan" is at the stage of tender. Also, provision of consulting services in the areas of activity of the High-Tech Park of Azerbaijan National Academy of Sciences (ANAS) is envisaged as part of the "Support for the development of special economic zones" project, in the framework of the "Grant program for supporting the development of the regions" implemented through the budget support mechanism of the European Union. ANAS have applied for assistance in the framework of the TAIEX instrument of the European Union. Currently, opportunities are being explored for extracting benefits EU Neighborhood Investment Facility (NIF) and Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) programs for the institutional development of the High-Tech Park.

**Problems and solutions.** In order to achieve targets identified for this SDG, the development of national processing industry and innovations need to be accelerated. It should be taken into account that the industrial development must be accompanied with environmental protection. The achievement of targets selected for Goal 9 requires joint and mutual operation of various institutions. In this view, The Ministry of Economy, the Ministry of Transport, Communication and High Technologies, "ASAN service" center under the State Agency on Public Services and Social Innovations under the President of the Republic of Azerbaijan, Azerbaijan National Science Academy, State Agency on Alternative and Renewable Energy Sources were involved in the measures aimed at achievement of relevant targets and practical work is underway in this direction. In general, innovational activeness also needs to be triggered.



**GOAL 14. Conserve and sustainably use the oceans, seas, and marine resources for sustainable development**

**Importance for the country.** At the current stage, the disruption of the ecological balance on a global scale as a result of accelerated industrialization over the years has been one of the issues faced by humanity that have a powerful impact on the socio-economic life of each country. All this directly affects the economic and social life of the country and is therefore an important factor that should be taken into account when developing appropriate policy measures.

Azerbaijan also joined Paris Agreement on UN Framework Convention on Climate Changes and accepted the target of 35% reduction in the level of greenhouse gas emissions compared to base year<sup>1</sup>.

Oceans, their temperature, chemical composition and current are of great importance for aquatic creatures and human life. The life of more than 3 billion people depends on the biological diversity of marine and coastal areas. But today we observe the excessive exploitation of three quarters of marine resources in the world. Oceans absorb almost 30% of the carbon dioxide produced by humans. But we are producing more carbon dioxide than in previous periods. Thus, since the beginning of the industrial revolution, the oceans have acidified by 26% more. At the same time, garbage that we discard is added to it; there are about 13,000 pieces of plastic debris per square kilometer of the ocean [28].

The SDG's specify the targets of managing and protecting life under water in order to address the above-mentioned problem and threats at the global level.

Along with being blessed with abundant rivers and water basins, the Republic of Azerbaijan also borders the Caspian Sea. Therefore, this goal, specified in the SDG, also is of special importance for Azerbaijan.

In accordance with the "Azerbaijan 2020: Outlook for the Future" Development Concept, which defines priority areas for Azerbaijan until 2020 in general, minimizing environmental pollution and improving environmental protection to ensure environmental safety, efficient use of natural resources to meet the needs of the current and future generations, utilization of alternative energy sources and achieving energy efficiency, identifying solutions to global environmental problems at the national level, and expansion of relations with international organizations have been adopted as the main directions of the state's environmental policy. One of the directions identified by the Concept as the main challenges of the modern day is environmental problems, in particular, the environmental situation in the Absheron peninsula and the Caspian Sea, as well as the acquisition and safety of freshwater resources. Environmental problems for Azerbaijan in the local and regional context are mainly associated with oil production carried out with imperfect methods for decades without taking into account the environmental consequences for the Absheron peninsula and the Caspian Sea. The fact that a large volume of freshwater resources of Azerbaijan originates from neighboring countries and is subjected to intensive pollution by chemical, radioactive and other harmful substances in the territories of these countries creates problems in providing drinking water to the population.

FAO is currently supporting the Ministry of Ecology and Natural Resources in developing the National Strategy for the development of fishing industry for 2015-2020. The main objectives of the national strategy are increasing the competitiveness, production and productivity in the fishing industry, as well as the sustainable growth and development of the aquaculture sector.

In 2016, the "National Strategy on conservation and sustainable use of biodiversity in the Republic of Azerbaijan for 2017-2020" was

<sup>1</sup> <http://www4.unfccc.int/ndcregistry/PublishedDocuments/Azerbaijan%20First/INDC%20Azerbaijan.pdf>



approved. The above-mentioned National Strategy will give a boost to the implementation of reforms in this field and will have a positive impact on enhancing cooperation between international organizations and governments in program activities related to biodiversity and environmental protection in general.

At the 4th Summit of Heads of Caspian States held in Astrakhan, Russia, in 2014, the “Agreement on the protection and rational use of aquatic biological resources of the Caspian Sea” was signed. The agreement was ratified by all the Caspian littoral states and entered into force on May 26, 2016. The Agreement on the protection and rational use of aquatic biological resources of the Caspian Sea defines the principles of cooperation in the implementation of measures for joint management of fish resources, combating illegal fishing practices and increasing aquatic biological resources in the Caspian Sea.

#### **Provide access for small-scale artisanal fishers to marine resources and markets.**

The existing legal and policy framework in Azerbaijan does not cover the rapidly growing aquaculture sector. Therefore, cooperation has been started with FAO from the beginning of 2011 to ensure that the future legal and policy framework in this sector meets international standards and best practices. The Law (dated June 27, 2014) of the Republic of Azerbaijan on Fishing, developed and improved with technical support from FAO, has been adopted. This Law defines the legal basis for the organization and management of fishing industry, as well as enhancement, use and protection of fish resources in the Republic of Azerbaijan. Sustainable development of aquaculture can lead to the creation of new jobs and alternative sources of income in rural areas of Azerbaijan and have a positive impact on the social situation and health of the country’s population and addressing issues of food security.. At the same time, the Rules for the implementation of aquaculture has been developed and submitted for approval to the Cabinet of Ministers of the Republic of Azerbaijan, with a view to implementing of paragraph 1.5 of Decree No.243, dated August 11, 2014, of the President of the Republic of Azerbaijan on the

implementation of the Law dated June 27, 2014 of the Republic of Azerbaijan “On amendments to the Law of the Republic of Azerbaijan on Fishing”. These Rules clarify important issues such as the areas and types of aquaculture, the creation and use of aquaculture infrastructure, the conditions for the use of water bodies for aquaculture purposes, the conditions, model form and registration of biological and technological rationale necessary for engaging in aquaculture, record-keeping and reporting in the field of aquaculture, and state control of aquaculture.

According to the Rules for the conservation of fish resources and fishing activity in the Republic of Azerbaijan approved by Decision No.152, dated September 24, 1999, of the Cabinet of Ministers of the Republic of Azerbaijan, fishing is carried out for the following purposes: industrial, pastime and sports; scientific research, rearing and control; adaptation to the natural environment and transfer.

Several regulatory documents such as those mentioned below have been adopted for regulation of above-mentioned activities and the process continues. Specifically, best international practices are being studied and new laws, strategies and programs are developed based on them:

- Approved by Decision No.146, dated September 6, 1999, of the Cabinet of Ministers of the Republic of Azerbaijan, “Permitted norms of harmful impact upon water bodies used for fishing” is aimed at preventing pollution of surface water streams and reservoirs specified according to the Water Code of the Republic of Azerbaijan and the Law of the Republic of Azerbaijan on Fishing and belonging to water bodies used for fishing, as well as the Azerbaijani sector of the Caspian Sea with waste and wastewater;
- Approved by Decision No.82, dated May 8, 2000, of the Cabinet of Ministers of the Republic of Azerbaijan, the Rules for the use of water bodies for the needs of fisheries and hunting farms have been developed according to the Water Code of the Republic of

Azerbaijan and Decree No.685, dated March 13, 1998, of the President of the Republic of Azerbaijan “On the implementation of the Water Code of the Republic of Azerbaijan approved by the Law dated December 26, 1997 of the Republic of Azerbaijan”, and establish the rules for the use of water bodies for the needs of fisheries, including aquaculture and hunting farms. The water bodies used for fishing and water basins settled by water birds and valuable fur-bearing animals defined by the legislation of the Republic of Azerbaijan can be used for the needs of fisheries and hunting farms;

- Approved by Decision No.206, dated November 9, 2005, of the Cabinet of Ministers of the Republic of Azerbaijan, the Rules for the regulation of the use and turnover of resources of fishes of sturgeon breeds determines the improvement of the state management of the preservation, use and turnover of resources of fishes of sturgeon breeds, and establishes the legal basis for conducting scientific research activities in this field.

According to MOENR, since the mid-twentieth century, the unique ichthyofauna of the Caspian Sea and the Kura River has undergone significant changes as a result of the combined impact of anthropogenic and natural factors (global climate change, sea-level fluctuation, river flow regulation at a more than environmentally permissible level, chemical and biological pollution, illegal fishing, etc.). A reduction (a sharp reduction for some species) is observed in the resources and fishing of a number of fishes of commercial significance - sturgeon-like fishes (Acipenseridae), salmon-like fishes (Salmonidae), sprats (Clupeonella), carp-like fishes (Cyprinidae). The industrial fishing of carp breeds in the Republic of Azerbaijan takes place in both the Caspian Sea and the Kura River. The highest catch quantity of carp-like fishes in our country was recorded in 1930s (an average of 28.5 thousand tons in 1931-1935). In subsequent years, their catch quantities (both in the Caspian Sea and the waters of the sea belonging to Azerbaijan) declined several times. In recent years (2010-2016), the catch quantity of carp-like fishes in

the Kura river ranged from 60 to 85.9 tons, and from 102.3 to 155.5 tons in the Azerbaijani waters of the Caspian Sea. At present, there is a noticeable upward trend in the hunt for carp-like fishes in the Azerbaijani sector of the Caspian Sea. More than 20 species are noted in industrial fishing in the Kura river and the Azerbaijani sector of the Caspian Sea. In 2010-2016, during commercial hunting, 8 species of fishes of carp breeds were hunted in the Kura river and 9 species in the Azerbaijani waters of the Caspian sea (2 species of crucian, *Carassius carassius* and *Carassius gibelio*, are recorded as one species in statistics). The majority of the carp-like fishes hunted in the Kura river were bream (*Abramis brama*), whose share in the total quantity of carp-breed fishes hunted in different years ranged from 39 to 71%. In industrial fishing in the sea, whitefish (*Rutilus frisii kutum*) prevailed (40-84%). Roach (*Rutilus caspicus*) ranks second in the commercial hunting for fishes of carp breeds. The catch quantity of this fish ranged from 14 to 23% in the Kura river, and from 12 to 32% in the Caspian Sea. In recent years, there has been an increase in the quantity of crucians, which are invasive (imported) species for the ichthyofauna of the country, in hunting. These fishes constitute around 14.8% of the carp-like fishes hunted in the Kura river in different years. The share of carps (*Cyprinus carpio*) and royal fishes (*Alburnus chalcoides*) among the fishes hunted in the Kura river varies between 1% and 12%. The catch quantity of carp in the commercial fishing in the Azerbaijani sector of the Caspian Sea ranges from 1 to 17%. Bream and vimba bream (*Vimba vimba*) occupy the next places in terms of importance for fishing in the sea. The catch quantity of chub (*Aspius aspius*) and silver carp (*Hypophthalmichthys*) in industrial fishing is not that much.

In the last decade, anthropogenic and natural factors have led to degradation of the ecosystem of the Caspian Sea. The decline in the overall fishing in the Caspian Sea is directly related to the decline in sprat fishing. Sprats have accounted for 80 to 85% of the fishes hunted in the Caspian Sea. As a result of the spread of the invasive species of *Mnemiopsis leidyi* comb jelly to the Caspian Sea from the Black sea through ballast water of ships at

the end of the twentieth century, stocks and hunting of sprat fishes have sharply fallen.

Until 2001, sprats were in the center of the fishing industry in the Caspian Sea, as the Caspian states steadily hunted 200-250 thousand tons of sprats every year. For several decades, sprat hunting was based on the use of anchovy sprat and big-eyed sprat stocks, with these two species accounting for 99% of all sprat hunting. The share of the catch quantity of common sprat in total amount of sprat hunted was about 1%. Sprat hunting in Azerbaijan has decreased from 18,520 tons in 2000 to 316 tons in 2016. Currently, common sprat forms the core of sprat hunting (80-85%), followed by anchovy sprat (10-15%) and big-eyed sprat (1-2%).

Herring (Clupeidae) is hunted in the south-western part of the Caspian Sea. During 2010-

2015, herring catch has decreased from 798.4 to 256.5 tons, and in 2016 herring (clupeidea) hunting has increased up to 401.7 tons. Mullet (Mugilidae) hunting on the Azerbaijani coast of the Caspian Sea has increased from 62.2 tons to 157 tons during 2010-2016. The total catch of mullet can be increased by intensifying commercial fishing and using special hunting tools.

Over the past 30 years, the total catch of sturgeons in the Caspian Sea has seen a 30-fold decrease (from 27,000 tons in 1980 to 600 tons in 2010). In 2000-2010, the total catch quantity of sturgeon-like fishes in Azerbaijan decreased from 70 tons to 2 tons. Technical moratorium was declared on the commercial fishing of sturgeons in the Caspian Sea in 2011, and hunting for sturgeon-like fishes is only allowed for scientific and research purposes.

## 7. PARTICIPATION IN GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT



### **Goal 17. Revitalize the global partnership for sustainable development**

Throughout 25 years  
of independent  
statehood,

Government of

Azerbaijan took significant steps in the field of international cooperation, a key element in achievement of SDGs for every country and the world; it also pursued a peaceful policy, joined international agreements championing global social and humanitarian values and took a number of important measures.

Upon restoration of state independence in 1991, the Republic of Azerbaijan joined UN Convention on the Rights of the Child, International Covenant on Civil and Political Rights, and International Covenant on

Economic, Social and Cultural Rights in 1992, International Convention on the Elimination of All Forms of Racial Discrimination in 1996 and Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families in 1998. These conventions are of significant importance for the SDGs.

Besides, the Republic of Azerbaijan has joined 22 major multilateral international environmental treaties and conventions and 57 ILO conventions.

Also the Republic of Azerbaijan also joined European Social Charter, which was revised in 1996 and entered into force in 1999, in 40 year anniversary ceremony held on October 18, 2001. In September 2004, the decree on Azerbaijan's ratification of Revised European Social Charter was presented to the Council of Europe. This international document entered into force in the Republic of Azerbaijan on November 1, 2004. According to the Law No.



575-IIQ of 6 January 2004 of the Republic of Azerbaijan on Ratification of the European Social Charter, the Republic of Azerbaijan declared its commitment to 18 of 31 articles of Revised European Social Charter of 3 May 1996. The Republic of Azerbaijan ratified mandatory articles such as Article 1 (The right to work), Article 5 (The right to organize), Article 6 (The right to bargain collectively), Article 7 (The right of children and young person's to protection), Article 16 (The right of the family to social, legal and economic protection), Article 20 (The right to equal opportunities and equal treatment in matters of employment and occupation without discrimination on the grounds of sex).

In frames of international cooperation, business relations were built between the Ministry of Internal Affairs of the Republic of Azerbaijan, UN, Council of Europe, OSCE, European Union, GUAM, NATO, Black Sea Economic Cooperation, Organisation of Islamic Cooperation, Organization of Economic Cooperation and Development and specialized agencies of UN and Council of Europe. Besides, about 100 bilateral and multilateral treaties, memoranda and protocols were concluded with relevant state structures of nearly 40 states.

Prosecutor's offices of the Republic of Azerbaijan cooperates with UN, OECD, CoE, EU, International Association of Anti-Corruption Authorities (IAACA), European Anti-Fraud Office (OLAF), European Partners Against Corruption (EPAC), European contact-point network against

corruption (EACN), UN Office on Drugs and Crime (UNODC), Council of Europe's Group of States against Corruption (GRECO) and other international organizations in the prevention of corruption and serious multinational crimes, extradition and mutual legal aid and combating fraud.

Furthermore, Azerbaijan International Development Agency (AIDA) was founded under the auspices of the Ministry of Foreign Affairs of Azerbaijan on September 14, 2011, with a view to provide a quick response to the requests for aid coming from foreign states and international organizations and centralized rendering and coordination of international aid. AIDA is responsible for channelling the aid provided by Azerbaijan in a goal-oriented manner and for providing this aid within a common framework with relevant state agencies.

All of the above-mentioned allowed the Government of Azerbaijan to further develop cooperation in frames of global partnership for SDGs and to strengthen implementation tools thereof. The current situation with respect to individual targets in this field, achieved progress and challenges experienced are described below.

**Finance.** In 2010-2016, owing to the development of the capacity in Azerbaijan to collect taxes and other revenues, the share of state budget revenues in GDP rose from 26.9% to 29.0% and the share of taxes in the state budget revenues rose from 46.2% to 51.6% (Table 7.1).

**Table 7.1.** Dynamics of state revenues

	2010	2011	2012	2013	2014	2015	2016
Share of state budget revenues in GDP (%)	26.9	30.1	31.6	33.5	31.2	32.2	29.0
Share of taxes in the state budget revenues	46.2	40.7	40.4	39.3	45.5	50.2	51.6

Source: SSC

Support of international partners including EU's twinning projects "Support to the Ministry of Taxes of Republic of Azerbaijan in the field of Computer Assisted Audit System" implemented in 2011-2013 and "Support to the Ministry of Taxes of Republic of Azerbaijan in building capacity for a sustainable development of its Human Resources" implemented in 2014-2016, played a significant role in building a capacity in

this area. With a view to continue this kind of cooperation, a contract on EU twinning project "Support to the Ministry of Taxes of Republic of Azerbaijan in optimal use of resources and quality service to taxpayers" has been signed.

As is seen from Table 7.1, besides the tendency of increase in relevant indicators, there are also strong fluctuations, which mean that the

results can be further improved through further strengthening of the capacity in collection of taxes and other revenues of the country.

Of the credit lines amounting to 396.1 million USD attracted to the field of agriculture from foreign sources under state guarantee on completed projects in 1997-2016, 146 million USD was financed by the Government of Azerbaijan; and the credit lines amounting to 155.5 million USD attracted to the field of agriculture from foreign sources under state guarantee on ongoing projects, 40.1 million USD was financed by the Government of Azerbaijan [MOF].

**Technology.** The Government of Azerbaijan attaches great importance to the development of scientific and technical capacity of the country and takes an active part in international cooperation on this field.

#### Intergovernmental agreements and scientific and/or technical cooperation programs

In 2015-2016, "Agreement between the

Republic of Azerbaijan and Argentine Republic on Technical Cooperation" and "Agreement between the Government of the Republic of Azerbaijan and the Government of People's Republic of China on technical and economic cooperation" were signed and ratified, and "Agreement between the Government of the Republic of Azerbaijan and the Government of the Republic of Colombia on Technical and Scientific Cooperation" was prepared and is pending final approval. Discussions are underway on development of a new draft of the "Agreement between the Government of the Republic of Azerbaijan and the Government of the Islamic Republic of Pakistan on scientific and technical cooperation" (1996). Furthermore, in 2016, Azerbaijan National Academy of Sciences signed 49 contracts with more than 16 foreign scientific institutions and companies.

In 2010-2015, the share of internet-using population rose from 46% to 77% and the number of broadband internet users per 100 population rose from 15 to 72 (Table 7.2).

**Table 7.2.** Status of internet usage

	2010	2011	2012	2013	2014	2015	2016
Share of internet-using population (in %)	46	65	70	73	75	77	78
Number of broadband internet users per 100 population	15	30	50	55	65	72	-

Source: SSC

**Capacity development.** Azerbaijan is also actively involved in the process of aiding capacity development in least developed countries. The work of AIDA, a national donor institution, in this regard is also notable. That is, AIDA is responsible for channelling the aid provided by Azerbaijan in a goal-oriented manner and for providing this aid within a common framework with relevant state agencies.

Some 40 countries, particularly African, Asian and Latin American states have already benefited from the aid provided by the Government of Azerbaijan. AIDA supports implementation of programs and projects on development of science and culture, strengthening of health sector, introduction of e-governance, reduction of poverty and other

social-economic directions in frames of bilateral and multilateral cooperation.

Considering the importance of South-South and Triangular Cooperation framework, AIDA signed a memorandum of understanding on South-South Cooperation and Mutual Connection in December, 2016 with Islamic Development Bank.

Besides, on July 12, 2016, a memorandum of understanding was signed between State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan and Ministry of Finance of Afghanistan on formation of progressive mechanisms of rendering of public services. In line with the said document, based on Azerbaijan's ASAN SERVICE model, an agency



with the same name (ASAN Khedmat) was created in Afghanistan to render public services ([www.asan.gov.af](http://www.asan.gov.af)).

Furthermore, State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan also cooperates with developed countries as described below:

- On December 9, 2015, a memorandum of understanding was signed between State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan and Department of Public Governance under the Prime Minister's Office of the Italian Republic;
- On August 19, 2016, a memorandum of understanding was signed between State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan and the Ministry of Internal Affairs of the Republic of Korea on cooperation in the field of e-government and rendering of public services;
- On March 14, 2017, a memorandum of understanding was signed between State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan and State Secretariat on State Reform and Simplification under the Prime Minister of the French Republic.

The endorsement of proposal on creation of Baku-based Labour Centre of the Organization of Islamic Cooperation (OIC) that was put forward in second conference of labour ministers of OIC member states held on 25-26 April 2013 in Baku and approval of the Charter of the OIC Labour Centre at 43rd session of OIC Foreign Affairs Ministers held on 18-19 October 2016 in Tashkent, Uzbekistan, constitute another initiative of the Government of Azerbaijan that will contribute to the achievement of SDG.

**Systemic issues. Policy and institutional coherence.** Currently, work is underway in Azerbaijan on coordination of policies aimed at consolidation of macroeconomic stability in Azerbaijan and tailoring of those policies

to fit SDGs. In this view, the composition of macroeconomic indicators system and data collection and analysis capacity on these indicators are also being considered and measures are planned to be taken to develop this capacity. At present, limited financial and human resources of SSC insufficient for organization of statistic data production process on SDGs, lack of full integration of administrative databases into SSC's databases causes some challenges. There is a need for assessment of potential needs on personnel training in the field of statistics, production of SDG figures, recommendations of international organizations and exploration of best practices on the arrangement of work in this area. Specifically, acquisition of necessary knowledge and methodologies on availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts, enhancement of knowledge of relevant persons on sustainable development statistics, extensive use of administrative data for SDG information supply and setup of monitoring of SDG achievement represent outstanding priority tasks. Support of UN and other international organizations is needed for settlement of the said issues.

**Identification of mechanisms to improve consistent policy in the field of sustainable development.** National Coordination Council on Sustainable Development of the Republic of Azerbaijan led by Deputy Prime Minister of the Republic of Azerbaijan was established under 6 October 2016 Decree No. 1066 of the President of the Republic of Azerbaijan with a view to identify national priorities and their relevant indicators in line with global goals and targets by 2030, ensure alignment of state programs and strategies on socio-economic areas with Sustainable Development Goals, as well as coordinate fulfilment of tasks assigned to state agencies with respect to obligations arising from "Transforming our World: The 2030 Agenda for Sustainable Development". This Council was established as an institutional mechanism serving to make the sustainable development policy of the Government of Azerbaijan

more goal-oriented, systemic and coherent and its activity is aimed at continuing and strengthening the works in this direction.

**Multi-stakeholder partnerships.** Among measures related to support of economic initiatives and international cooperation, it is possible to refer to 11 projects implemented in 2011-2015 together with international and regional organizations in the fields of agriculture and economy.

Most of international aid measures taken by the Republic of Azerbaijan in recent years were realized in frames of multilateral platforms. This approach allows coordinating joint efforts with other donors and tailoring the aid to be rendered to the priorities of the recipient countries. Besides, rendering of aid within a multilateral framework allows exchanging experience, building partnership relations and ensuring effective delivery of aid.

The Republic of Azerbaijan has regularly provided donations for supporting humanitarian and technical projects carried out at various parts of the world through UN agencies and other international organizations, as well as their operations.

In its work, AIDA prefers supporting or participating at international aid projects in an environment of multilateral cooperation with various stakeholders.

**Public-private and CSO partnership.** Priority directions were determined for rendering of social services to children with limited health capacity and social orders were announced to have these services provided by specialized NGOs. In 2016, 25 NGOs implemented social orders on 37 projects covering 2046 persons with needs. In total, 1.7 million AZN was spent for social orders.

As a result of establishment of broad opportunities for civil society institutes and introduction of mechanisms of financial support from state for them, grants worth over 110 million AZN were awarded in 2016 to NGOs based on grant agreements registered with the Ministry of Justice. This figure exceeds that of

the preceding year by 2.5 times. The amount of funds awarded to NGOs in 2011-2016 years based on agreements of grant, donation and services rose by 4 times and was over 128 million manats from 2011 to 2016.

**Existence of sustainable development indicators on relevant features processed through full classification at national level in line with key principles of official statistics.**

The State Statistical Committee is the agency in charge of processing of statistical data on sustainable development indicators in Azerbaijan. The State Statistical Committee ensures regular mutual data exchange with Interstate Statistical Committee, international and regional organizations, as well as national statistical services of foreign countries, provides replies to received inquiries and cooperates in other forms. Annual methodological materials developed by the SSC cover areas such as national accounts and macroeconomic indicators, population, employment, energy, trade, price, innovation, environmental statistics, as well as dynamic lines of GDP updated in consideration of recommendations affecting GDP size, structure and growth rate of National System of Accounts-2008 (NSA-2008), formation of satellite account on energy in frames of NSA-2008, improvement of scientific technological and innovation statistics and measurement of the impact of innovations on the economy, development of methodological explanations on statistical study of "human capital", system of statistical indicators, "Calculation of labour costs index", "Methodological guidelines on formation of current accounts of public sector", "System of statistical indicators for Green Economy", "Calculation of the size of pollutants and greenhouse gases released into atmosphere as a result of the use of fuel in households", "Introduction of GSBPM in the process of management of statistical processes on expenditures and payments regarding environmental protection", "National recommendations on energy statistics", "Business activeness of small-sized entrepreneurial subjects" and "Business activeness of small-sized entrepreneurial subjects engaged in trade activity".

Although 30% of SDG indicators are covered in national statistics system of Azerbaijan, it hadn't been required until now to process high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts. The SSC's current affairs program planned organization of observation only on a part of sub-groups on those indicators. Successful collection of missing data on a part of the required indicators is directly dependent on the development of the capacity of SSC as acquisition of such detailed data is only possible through incorporation into the SSC's statistical databases of the data collected by different state agencies through censuses, micro-censuses, selective statistical examinations of households which require huge funding, ICT and human resources, as well as through implementation of their administrative functions.

That is why, "Strategic Roadmap on national economic perspective of the Republic of Azerbaijan" approved under 6 December 2016 Decree of the President of the Republic of Azerbaijan contains clause 4.2.2 which envisages an activity titled "Improvement of statistical infrastructure".

In order to continue measures of capacity building in coming years, "2018-2025 State Program on development of official statistics in the Republic of Azerbaijan" envisages relevant measures, including conduct of different surveys in households and collection of data disaggregated on SDG achievement indicators.

The next population census in the Republic of Azerbaijan is scheduled to take place on 1

to 10 October 2019 in accordance with the 7 September 2016 Decree No. 1040 of the President of the Republic of Azerbaijan on "Conduct of a population census in the Republic of Azerbaijan in 2019". With a view to collect data on SDG indicators, some questions are planned to be added to the population census sheet.

#### **Availability of national statistical legislation complying with key principles of official statistics.**

Present Law of the Republic of Azerbaijan on Official Statistics (Law No. 789, dated 18 February 1994) reflects the key principles of official statistics. Upon submission of a final report on conclusions of the Global Review (external audit) of national statistical system of Azerbaijan by United Nations Economic Commission for Europe, EUROSTAT and European Free Trade Association conducted from September 2016 to February 2017, proposals on amendments and additions to the Law of the Republic of Azerbaijan on Official Statistics will be developed in consideration of the recommendations made.

#### **Availability of a national statistic plan that is fully financed and implemented.**

Besides the fifth "State Program on Development of Official Statistics in the Republic of Azerbaijan 2013-2017", approved by Decree No. 2621 of 21 December 2012 of the President of the Republic of Azerbaijan, a budget-funded statistical affairs program is adopted every year.

#### **The value of all resources allotted for capacity building in the field of statistics in the country in USD.**

The value of all resources allotted for capacity building in the field of statistics in the country in USD from 2010 to 2015 is presented in Table 7.3.

**Table 7.3.** The value of all resources allotted for capacity building in the field of statistics in the country in USD

Year	2010	2011	2012	2013	2014	2015	2016
The value of all resources allotted for capacity building in the field of statistics in USD	5410805	6787941	6167211	2580319	2801702	2385026	1254798

Source: State Statistical Committee

**Conduct of population and housing censuses at least once in last 10 years.** In accordance with the 7 July 2006 Decree No. 415 of the President of the Republic of Azerbaijan on “Conduct of population census in the Republic of Azerbaijan in 2009” and 12 December 2006 resolution No. 200 of the Cabinet of Ministers of the Republic of Azerbaijan on “Action plan ensuring preparatory works and conduct of 2009 population census”, a population and housing census was held on 13 to 22 April 2009.

The next population and housing census in the Republic of Azerbaijan is scheduled to take place on 1 to 10 October 2019 in accordance with the 7 September 2016 Decree No. 1040 of the President of the Republic of Azerbaijan.

**Achievement of birth and death registration levels of 100% and 80% respectively.** Table 7.4 presents the situation in this field.

**Table 7.4.** Birth and death registration levels, in %

Year	2010	2011	2012	2013	2014	2015	2016
Birth registration	100	100	100	100	100	100	100
Death registration	99.9	99.9	99.9	99.9	99.9	99.9	99.9

Source: State Statistical Committee

As is seen from Table 7.4, registration of births and deaths in Azerbaijan is achieved 100%, and 99.9% respectively, thus exceeding targets set on SDGs.

**Key directions and expectations of the development of international cooperation for SDGs:**

- with a view to achieve the SDGs at the expected level, it is considered appropriate to organize development and implementation of national action plans on SDGs through financial and technical support, as well as

support in the fields of personnel training, counsel and other areas to national governmental agencies through UN.

- it is of crucial importance to further strengthen efforts of UN, NATO and other international and regional organizations towards suspension of bilateral and regional military conflicts that impede SDGs, contradict with humanity and human values, violates social and other rights of people and challenge Azerbaijan as well.

## 8. WAY FORWARD

The following activities are planned to be carried out in Azerbaijan in near future with a view to ensure implementation of tasks set by “Transforming our World: The 2030 Agenda for Sustainable Development” at national level.

- Finalize nationalization of global SDGs, targets and indicators in line with national priorities of the country’s development agenda;
- Subsequently, in 2018, Government would convene a National SDG Conference with UN Country Office to discuss the means of implementation of the national SDG Agenda. The Conference would be instrumental in defining of new drivers of growth and transformation, and the entry points for interventions, which could generate the larger positive spillovers across various sector of the national economy, covering all the part of the country and ensuring that all people of Azerbaijan are engaged to and could ultimately benefit from the SDG process.
- Successful implementation of SDG agenda requires exploration and sharing of best practices, particularly through South-South cooperation. Azerbaijan will share achieved experience and knowledge in the formation and implementation of national SDGs.
- Finalize the formation of the system of SDG monitoring and evaluation in central and local levels with a view to follow the progress;
- Seek support for preparation and implementation of goal-oriented projects serving to speed up the progress on SDG targets that are considered to be national priorities;
- Approve the timeframe and rules for drafting of annual report;
- Organize independent third party evaluations to evaluate the progress and give recommendations for alignment of accountability with institutional regulation;
- Seek ways to strengthen detailed data production and analysis capacity on statistics, particularly based on gender, age groups, residence (city/village), sectors and regions/ administrative districts;
- Promote dialogue for more comprehensive implementation and accountability mechanisms;
- Strengthen international partnership to achieve SDGs.

## 9. CONCLUSIONS

Azerbaijan is participating closely in the UN's initiatives connected with global development. Being committed to the millennium development goals set forth within the UN, Azerbaijan has integrated them into its national targets and achieved impressive results in development area, especially in ensuring rapid and sustainable growth, eradicating extreme poverty and hunger, ensuring universal primary education and promoting gender equality. 2030 Agenda for Sustainable Development exposes problems experienced by people worldwide and calls for solution thereof together. That is why SDGs receive particular attention in Azerbaijan as well. Azerbaijan takes important steps towards achievement of peace and decent life in spite of a number of problems that have been decided to be solved together, such as conflicts, governance, poverty, environmental degradation and crime.

At present, the following problems adversely affect achievement of SDGs in Azerbaijan:

- Long-lasting peace, security, stability and social cohesion are the major pre-requisites for sustainable development. However, the military aggression of Armenia against Azerbaijan does not allow achieving any major progress in the region. Despite the resolutions of the United Nations Security Council 822 (1993), 853 (1993), 874 (1993) and 884 (1993), condemning the use of force against Azerbaijan and occupation of its territories, reaffirming the sovereignty and territorial integrity of Azerbaijan and calling for immediate and unconditional withdrawal of the occupying forces from all occupied territories of Azerbaijan, and in flagrant violation of international law, Armenia continues its purposeful efforts towards consolidating the current status-quo of the occupation, strengthening its military build-up in the seized territories and preventing the hundreds of thousands of forcibly displaced Azerbaijanis from returning to their homes and properties in those areas. The resolution of the conflict would not only bring stability and progress to both Armenia and Azerbaijan;

it would also ensure peace and justice in the entire region.

- It is necessary to strengthen efforts to speed up development of non-oil sector and diversification of national economy, enhance export capacity and expand export, increase the effectiveness of healthcare and social services and strengthen environmental security.

The Government of Azerbaijan believes that activities in this direction will be supported by international partners as well.

Considering that implementation of SDGs requires a comprehensive approach from institutional and political point of view, it is important to form an efficient national implementation mechanism to develop sustainable, extensive and diversified economy, ensure balanced development of social spheres and more reliable protection of environmental balance. In view of the above-mentioned, National Coordination Council on Sustainable Development of the Republic of Azerbaijan was established (6 October 2016) with a view to coordinate and promote collaboration among various government agencies and ministries with respect to obligations arising from “Transforming our World: The 2030 Agenda for Sustainable Development”.

The most important task of the Council is ensure broad based and inclusive stakeholder participation, Identify of national priorities and sustainable development gaps, Articulate inclusive and rights-based national strategies and policies, secure coherence among development partners to align with national priorities, design national reporting and review framework, and links to regional and global reviews, identify needs and opportunities for capacity development, as well as to draft and submit preliminary report of Azerbaijan on SDG achievement for High Level Political Forum.

To support the NCCSD in both nationalization of SDGs and further implementation of



respective programs and plans the government established four Thematic Working Groups (TWGs) – Economic Growth and Decent Jobs, Social Development, Environmental Issues, Monitoring and Evaluation. The NCCSD has the power to establish additional TWGs and engage both local and international expertise to support SDG nationalization, planning and implementation of respective policy measures. The following preparatory works can be highlighted: Nationalization of SDGs through aligning those to the national context and to the Azerbaijan's strategic development priorities have commenced and preliminary projects have been developed; to follow the progress, establishing of SDG monitoring and evaluation system has been started; international partnership opportunities are being evaluated and some joint projects have already been started.

Since acceleration of sustainable development requires additional funds, it is of crucial importance to use available financial resources efficiently, as well as to look for new financial sources and create forms of joint partnership.

Considering the principle of “leaving no one behind”, Azerbaijan intends to remain committed to its important task of implementation of global sustainable development goals with a view to share its expertise and knowledge on sustainable development through bilateral and multilateral partnership and aid programs in the world and region.

The following challenges emerged during implementation process:

- the process of alignment of state programs and strategies with global goals, targets and indicators requires a lot of time and additional financial resources;
- It is necessary to strengthen detailed data production and analysis capacity on statistics, particularly based on gender, age groups, residence (city/village), sectors and regions/ administrative districts;
- Failure to collect data on some indicators or lack of relevant methodologies;

– Long-lasting peace, security, stability and social cohesion are the major pre-requisites for sustainable development. However, the military aggression of Armenia against Azerbaijan does not allow achieving any major progress in the region. Despite the resolutions of the United Nations Security Council 822 (1993), 853 (1993), 874 (1993) and 884 (1993), condemning the use of force against Azerbaijan and occupation of its territories, reaffirming the sovereignty and territorial integrity of Azerbaijan and calling for immediate and unconditional withdrawal of the occupying forces from all occupied territories of Azerbaijan, and in flagrant violation of international law, Armenia continues its purposeful efforts towards consolidating the current status-quo of the occupation, strengthening its military build-up in the seized territories and preventing the hundreds of thousands of forcibly displaced Azerbaijanis from returning to their homes and properties in those areas. The resolution of the conflict would not only bring stability and progress to both Armenia and Azerbaijan; it would also ensure peace and justice in the entire region;

– It is necessary to strengthen efforts to speed up development of non-oil sector and diversification of national economy, enhance export capacity and expand export, increase the effectiveness of healthcare and social services and strengthen environmental security.

The Government of Azerbaijan believes that SDGs constitute a favourable platform for joint operation of state agencies, civil society institutions, businesses, scientific and educational institutions, mass media and international organizations aiding development. The initiatives, guiding and supportive activities of UN agencies in this direction are noted with an emphasize.

In general, the Government of Azerbaijan hopes that its activities in the above-mentioned directions will be supported by the international partners, the cooperation with them will be continuous and this cooperation will play an important role in achievement of SDGs.

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