



***DRAFT**

**UNITED NATIONS SUSTAINABLE
DEVELOPMENT COOPERATION FRAMEWORK
(2021-2025)**

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Acronyms

ADB	Asian Development Bank
CCA	Common Country Analysis
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CGAP	Consultative Group for the Poor
CRC	Convention on the Rights of the Child
CRPD	Convention on the Rights of Persons with Disabilities
DRR	Disaster Risk Reduction
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
HDI	Human Development Index
HRBA	Human Rights-Based Approach
ICPD	International Conference on Population and Development
IDP	Internally Displaced Person
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MENR	Ministry of Ecology and Natural Resources
MFA	Ministry of Foreign Affairs
MIA	Ministry of the Internal Affairs
MoA	Ministry of Agriculture
MoE	Ministry of Economy
MoEn	Ministry of Energy
MoES	Ministry of Emergency Situations
MoH	Ministry of Health
MTCHT	Ministry of Transport, Communications and High Technologies
MTR	Mid-Term Review
NCCSD	National Coordination Council for Sustainable Development
NCD	Non-Communicable Disease
NGO	Non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
PES	Payment for Ecosystem Services
PMT	Program Management Team
QCPR	Quadrennial Comprehensive Policy Review
RBM	Results-Based Management
SBM	School-Based Management
SDGs	Sustainable Development Goals
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Program
UNESCO	United Nations Education, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization

UNODC	United Nations Office on Drugs and Crime
UNOHCHR	United Nations Office of the High Commissioner for Human Rights
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNV	United Nations Volunteers
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UPR	Universal Periodic Review
WB	World Bank
WFP	World Food Program
WHO	World Health Organization
WTO	World Trade Organization

FOREWORD

On behalf of the Government of Azerbaijan and the United Nations Country Team (UNCT) in Azerbaijan, we are pleased to present the United Nations Sustainable Development Cooperation Framework (UNSDCF). The UNSDCF is aligned with Government strategic development priorities over the period 2021- 2025 and is directly linked to the attainment of Sustainable Development Goals (SDGs) and its targets in support of the 2030 Agenda.

The UNSDCF was formulated through a well-articulated roadmap and an inclusive and participatory process led by the Minister of Economy and the United Nations Resident Coordinator. The process began with the evaluation of the previous UN-Azerbaijan Development Framework 2016-2020 and a UN-led Common Country Analysis (CCA), which also assessed Azerbaijan's progress towards the SDGs and other international commitments. This culminated in the convening of the Government and United Nations Strategic Prioritization Workshop (SPW) in Baku in January 2020, which was attended by UN resident and non-resident agencies, Government, civil society, private sector, academia and international development partners. The consultations focused on identifying the comparative advantages of the United Nations Country Team and selecting high priority areas and outcomes. Informed by the results of the UNAPF (2016-2020) Evaluation, the CCA, and building on several baselines, including Azerbaijan's human rights commitments and the nationalized SDG targets, this development strategy was born.

The cornerstone of this strategy is an investment in people, in durable solutions and in institutions that are responsive to the needs of the most vulnerable in society. Leaving no one behind and deploying a rights-based approach to development are the founding tenets of the approach adopted, and this speaks to our commitment to further an agenda fundamentally grounded in developing human capital. Moreover, in addition to investing in inclusive growth and improved public sector service delivery, the UNSDCF has made what are often seen as cross-cutting issues central to this investment offering; gender equality and protecting the environment and addressing climate change. Given Azerbaijan's need to diversify its economy, only a truly equitable process that unleashes human potential will allow the economic transition to be completed. Moreover, as climate change and environmental threats risk undermining our ecosystem and affecting the very fabric of society, climate and environmental protection remain central to the UNSDCF ethos.

Investments in gender equality, inclusive growth, quality education, public health and justice systems, and in protecting our environment and accelerating human capital development are the primary vehicles for addressing the constraints identified by the Common Country Analysis. Underpinning this framework are robust baselines rooted in Azerbaijan's international commitments under treaties to which the country has acceded. These baselines will help measure progress in delivering outputs and outcomes, supported by a monitoring and evaluation system that includes an impact assessment.

In the coming five years, the UN system will cooperate closely with the Government and other actors in order to accelerate transformation, so that socio-economic and health-related shocks are managed and mitigated. In this regard, the ongoing macro-economic, health and socio-economic assessment directly addressing the COVID-19 pandemic provides an important reference point for the UNSDCF.

As this is the fifth cooperation framework produced by the UN system in Azerbaijan, many of the key lessons learned from prior programming and execution exercises have been incorporated herein. Of note is working as one UN family around a programmatic approach, bearing down on fewer priorities, and focusing on practical solutions in areas where the UN has undisputed comparative advantages. Moreover, implementation of the Cooperation Framework will be guided by the UN development system reform premised in UN system joined up and integrated programming and adopting full accountability and transparency in delivering development results.

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The Government and the United Nations in Azerbaijan hereby act together and in partnership with all national and international stakeholders, who are committed to promoting sustainable human development in Azerbaijan, in the region and globally, and who stand ready to continue to further promote ownership, inclusiveness, accountability and transparency. This framework provides an important opportunity to right-finance the future, and in laying the foundation for the remaining five years up until 2030.

We remain committed to guaranteeing that the UNSDCF will not only contribute towards building new sustainable development partnerships, it will also harness the greater potential of human capital as a springboard of future socio-economic gains, and an engine of ingenuity. Once attained, these outcomes will promote Azerbaijan's quest for a more inclusive and equitable society that can equally contribute to national, regional and global prosperity.

Mikayil Jabbarov

Minister of Economy
of the Republic of Azerbaijan

Ghulam M. Isaczai

UN Resident Coordinator
in the Republic of Azerbaijan

EXECUTIVE SUMMARY

The United Nations Sustainable Development Cooperation Framework (UNSDCF) constitutes the most important instrument for planning and implementation of UN development activities in Azerbaijan in support of the implementation of the 2030 Agenda for Sustainable Development (2030 Agenda).

The UNSDCF sets the strategic vision and direction for cooperation between the Republic of Azerbaijan and the United Nations Country Team (UNCT) for the period of 2021-2025. It is the result of a consultative process between the Government, the UNCT and its national and international partners. In the context of the Sustainable Development Goals (SDGs), the UNSDCF considers how to leverage the comparative advantages of the United Nations System to best support national priorities and align UN activities with the country's strategic outlook. The UNSDCF also serves as an important reference point for all UNCT partners, providing a clear description of priority areas of engagement, respective theories of change and expected outcomes as a result of the UN system engagement.

In the context of current economic challenges – amplified by the collapse in global oil prices, the emergence of COVID-19 as a major global threat, and the adverse impact of Nagorno-Karabakh conflict on development planning – the UNSDCF is deliberately forward thinking. Moving beyond Vision 2020, which guided the work of the UN-Azerbaijan Partnership Framework UNAPF (2016-2020), the UNSDCF has been formulated closely with Government and partners to align with and contribute toward the emerging 2030 national vision for the economy and the 2030 Agenda for sustainable development. It defines the role of the UN system in meeting target SDGs and introduces new ways of working in line with the shift from funding to financing. Most importantly, it acts on the results of the CCA, which emphasizes the need to ensure development cooperation strengthens resilience to economic shocks by protecting the most vulnerable in society and by fulfilling their human rights. As such, the UNSDCF proposes a roadmap to ensure that Azerbaijan stays on track for the 2030 Agenda, using a human-centric rather than sector-oriented approach.

This approach represents a fundamental shift in the way the UN system – both resident agencies and those with no physical presence – engages with government and national partners. Given the ambition of the 2030 Agenda and the urgency of its timeline, the UNSDCF establishes much-needed focus, bearing down on fewer priorities that can maximize the UN's impact. It guides the entire programme cycle as well as drives future planning, implementation, monitoring, reporting and evaluation of collective UN support for achieving the 2030 Agenda. It both determines and reflects the UN system's contributions, while also shaping the configuration of UN assets required to meet four strategic priority areas, established as follows:

- **Priority Area 1:** Inclusive Growth that Reduces Vulnerability and Builds Resilience;
- **Priority Area 2:** Stronger Institutions for Better Public and Social Services Delivery;
- **Priority Area 3:** Protecting the Environment and Addressing Climate Change; and,
- **Priority Area 4:** A Gender-Equitable Society that Empowers Women and Girls.

Across these priority areas, Leaving No One Behind (LNOB) and the Human Rights-Based Approach (HRBA) remain centerpiece. The aim is to empower those who are being left behind, or those at risk of being left behind, and to enact inclusive and progressive SDG policies. The framework directly targets and operationalizes LNOB and HRBA by identifying who and why individuals and groups are discriminated against, based on CCA analyses of geospatial disadvantage, socioeconomic status, governance outreach and vulnerability to shocks. Considering the long-term fallout of the COVID-19 pandemic, further emphasis on resilience and the development of improved service delivery models are adopted, such as stronger frontline services, digitization and a switch from curative to preventive care.

Given the importance of maintaining stable macroeconomic growth as the country recovers from the COVID-19 setback, the Government is committed to diversifying away from oil dependency to sectors including e-governance, telecommunications and the agribusiness industry, and therefore sees the private sector as the future engine of growth. The UNCT supports the diversification agenda but is aware that delivering growth

that is inclusive requires policy innovation and a deep understanding of why public sector policies and market forces may not fully support individuals and groups that have been marginalized.

Priority area one focuses on strengthening the inclusive growth agenda in order to reduce vulnerability and build more resilient markets, communities and households. By 2025, people furthest behind will participate in and benefit from a diverse and innovative economy encompassing future-oriented labour market transformation and access to decent work. The aim here is to advance equitable opportunities for economic participation and realization of the right to work, a process which will yield benefits for every section of society. Investment in this priority area includes linkages with the macroeconomic and microeconomic determinants of growth, implying a focus on micro, small to medium enterprises (MSMEs) across agricultural and other value chains, as well as improving conditions for equitable labour markets.

Priority area two aims to support the Government in building stronger institutions for public and social services delivery, including in the areas of education, health and access to justice. By 2025, people furthest behind will benefit from enhanced national capacities and governance structures, strengthening both access and quality of services in those areas. Using Azerbaijan's international human rights commitments as a baseline, pathways are explored to enable a policy shift that improves frontline services, removes spatial (urban/rural) and gender inequalities, supports digitization, promotes decentralized service delivery, and engages civil society. To ensure that these policy changes are backed up by evidence that no one has been excluded, this priority area stresses the need to increase national capacity to identify and target the most vulnerable in society. Thus, by 2025, quality, disaggregated and timely data will be available and used to inform decision-making and policies that leave no one behind.

Priority area three promotes an environmentally conscious economic recovery. Prior to COVID-19, environmental pollution and the impact of climate change already had a profound effect on water, energy, food, and health domains, undermining sustainability and increasing vulnerability to shocks. Using the crisis as an opportunity to ensure Azerbaijan meets its climate action goals, a green route to recovery that benefits people who are most exposed to the adverse effects of climate change is proposed. By 2025, all people, and particularly those left furthest behind, will have benefited from climate strategies and environment protection policies that ensure natural resources are sustainably managed, livelihoods are protected, and resilience is strengthened.

Priority area four invests towards a gender-equitable society that empowers women and girls across political, economic and social domains. Although a gender lens applies to all priority areas, the UNSDCF suggests that concrete changes in policy and in practice must be sought to address the root causes of inequality and promote the full participation of women and girls in decisions affecting their lives. Efforts must also be made to ensure that the elimination of gender-based violence is recognized as a prerequisite for achieving the full range of SDGs, as it influences the underlying attitudes, decisions and practices towards sustainable development. By 2025, women and girls will benefit from enhanced national mechanisms that ensure they are protected from discrimination and violence and empowered to participate in all spheres of life.

In achieving these priority outcomes, and in line with the United Nations primary mandate of capacity development, all priority areas require prerequisites including (i) investment in evidence-based government decision-making (ii) more accountable public policy dialogue (iii) accelerated investment in frontline services (iv) improved outreach to the private sector (v) integrated national financing frameworks to support national development strategies (vi) digitization and automation to improve access and efficiency and (vii) efforts to secure social inclusion, including for persons with disabilities, women and youth, and those who have been internally displaced by conflict.

The 'Delivering as One UN' commitment remains the cornerstone of this framework, from which an empowered RC and UNCT will leverage new ways of working, fully in line with national innovation and adaptation strategies. The people-centric approach ensures that results and performance indicators are not agency- or mandate-specific, but instead collective achievements that increase human welfare and create economies of scale. Results are also formulated with a view to empowering these groups with social and economic tools that help them better cope with times when conflict may grow in severity. UNCT members

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will therefore collaborate programmatically to provide efficient support through joint programming and enhanced inter-agency cooperation. In anticipation of future economic shocks induced by pandemics or other extraordinary events, the strategy also aims to deliver value-for-money investments and best practice models, allowing Azerbaijan not just to bounce back from the 2020 fiscal crisis, but rather to bounce forward by seeing new opportunities for reform emerging from the crisis.

DECLARATION OF COMMITMENT

In support of inclusive, equitable and sustainable development in the Republic of Azerbaijan, the Government and the United Nations Country Team pledge to work closely together to support the fulfilment of the Sustainable Development Goals. To attain the five outcomes in the four priority areas, the parties to this framework will collaborate with national counterparts, international development partners, civil society, the private sector, international finance institutions, academic institutions and other stakeholders.

The parties embrace a closer relationship in support of meeting national priorities, to include accelerating new ways of working, increasing the coherence and evidence around programming, and improving the tracking of results through national and independent monitoring and evaluation systems. Our commitment to leaving no one behind drives the fundamental ethos in which support is to be considered and targeted, given the need to deliver inclusive growth and equitable access. Improving the quality of life of all people, including the many vulnerable groups, refugees and IDPs, girls and boys, women and men as well as the underlying ecosystem that promotes life, are central to this framework.

As the SDGs are both ambitious and cross-cutting with a much broader scope, and in view of the Addis Ababa Action Agenda calling for a comprehensive approach to financing the 2030 Agenda, the transition from funding to financing is made front and center of the new way of working. UNCT commits to operating around a coherent, integrated, efficient, effective, accountable, transparent and results-oriented approach, in order to play its role in fulfilling the 2030 global agenda in Azerbaijan.

The parties to this agreement agree to put in place adequate and predictable financing in order to realize the 2025 outcome targets, implying a focus on traditional and innovative approaches to diversify the resource mobilization base. As a result, the costing for the priority areas will include public and private funding streams and involve a large range of potential anchor investors; such as Government, international financial institutions, institutional investors, philanthropic organizations and private capital. We will be guided by international partnership agreements and laws, including the Busan Partnership for Effective Development Cooperation and the UN Global Compact. We will also respect and adhere to the principles and ideals of the United Nations, including those embodied in the global United Nations Reform Agenda, supporting the strengthening of the organization's ability to effectively and efficiently deliver results to those most in need, do deliver more with less and to increase its flexibility and accountability.

CHAPTER 1: COUNTRY PROGRESS TOWARDS THE 2030 AGENDA

This document constitutes the United Nations Sustainable Development Cooperation Framework (UNSDCF) between the United Nations and Government of Azerbaijan for the period 2021-2025. It provides the foundation for deeper collaboration and increased effectiveness of the United Nations specialized agencies, with a direct focus on meeting the goals of the 2030 Agenda for Sustainable Development, protecting human rights and leaving no one behind. It also takes explicit action to accompany the Government's efforts to curb inequalities, confront discrimination and fast-track progress for the furthest behind.

The framework comes at a pivotal time when the Government is about to embark on a new national development cycle - envisioned towards 2030 - while also addressing the socioeconomic fallout of the COVID19 pandemic and escalation in Nagorno-Karabakh conflict. The framework thus focuses on key national priorities and challenges to achieving the SDGs in this turbulent context. It does so by using a synthesis of the guidance and insights of various UN development, human rights, humanitarian, peace and security actors. The prioritization of actions and theory of change were shaped by evidence generated through the Common Country Analysis (CCA), with strategic priorities being established at the national Strategic Prioritization Workshop (SPW) held in Baku on January 16th and 17th 2020. This process helped define priorities, challenges and gaps in the achievement of the SDGs. The framework addresses those gaps by bringing together the comparative advantages of all United Nations entities, the Government of Azerbaijan, development finance institutions, institutional investors, the private sector and civil society.

Even though Azerbaijan is expected to make considerable progress towards attaining the 2030 Agenda and the Sustainable Development Goals (SDG), development challenges remain. These include reliance on petroleum for fiscal resource and exports; ongoing gender, socioeconomic and spatial disparities between regions and urban and rural communities; challenges to access quality services in agriculture, education, health and justice; demographic and labour market challenges; and environmental and conservation threats. With the coming decade filled with hope and uncertainty in equal measure, the Cooperation Framework presents both evidence and assumptions, while also outlining the risk management and monitoring and evaluation routines necessary to tip the balance in favour of positive outcomes.

In this context, and to support a move away from business-as-usual, the UN Country Team is promoting more collaborative ways of working alongside new development finance modalities, including public-private partnerships. Currently, the largest contributor to SDGs financing is the Government, which ensure 56 per cent of available financing for the SDGs while 38 per cent come from foreign direct investment and the private sector¹. In addition to the Government budget, the SDGs are indirectly supported by the State Oil Company of the Republic of Azerbaijan (SOCAR) through their commitment to proactively promote an environmental agenda. Over the past years, the Government has taken several steps to modernize traditional sectors, embrace green growth and improve the resilience of public finance. Thus, country-owned financing frameworks encompassing different financing sources and non-financial means will be encouraged in line with the Addis Ababa Action Agenda. A move away from grant-based financing towards adopting a Funding to Financing (F2F) approach is also embraced, as it will help avoid short-term thinking and lead to far stronger alliances with the private sector.

1.1 COUNTRY CONTEXT

Azerbaijan is a politically stable unitary state with a citizenry of around 10 million, growing approximately 100,000 each year. It is an upper Middle-Income Country with a US\$ 4,742 per capita GDP income and an HDI that ranks it 87th globally. Despite the collapse in global oil prices in 2020 Azerbaijan's economy remains heavily dependent on oil revenues, and the Government is committed to diversifying revenues while

¹ <https://www.slideshare.net/undpeuropeandcis/drr-workshop-session-61-ben-slay>

improving the efficiency of public spending. The 2020 economic lockdown resulting from the COVID-19 pandemic undermined growth, reduced fiscal resources, increased levels of unemployment and disrupted essential public and social services. At the same time, restrictive containment measures introduced by the Government and fear of contagion weakened consumer demand, particularly in tourism, hospitality, and retail sectors. In April 2020 Government expenditure increases of up to US\$ 2 billion (more than 3 per cent of GDP) were announced to support wages for 304,000 hired workers, provide financial assistance for 292,000 micro businesses and implement a range of emergency cash transfers. As part of the second phase of the program to support the population and entrepreneurs, in August 2020, covering about 234,000 employees, 23,000 taxpayers were paid 52 million manat. In addition, in August, a one-time financial support of 12.5 million manat was provided to about 50,000 individual (micro) entrepreneurs.

Despite efforts to improve social outcomes, inequalities persist and women, youth, children, people with disabilities, elderly persons, refugees, displaced communities, informal workers and rural populations remain the furthest left behind in access to some social services. For instance, the Gender Inequality Index was relatively high at 0,321 in 2019, and women's representation in parliament is weak at 16.8 per cent.² As the Common Country Analysis shows, these inequalities risk being exacerbated as the country addresses the long-term consequences of the COVID19 crisis. For example, lockdown periods make refugees struggle to access food and daily necessities. Workers in the informal sector are far more exposed to the permanent loss of livelihood than those in regular jobs. Gender-based violence is a major concern, with an increased risk for women and girls to lose access to safe counselling services while in confinement. In the most recent assessment to identify the different needs, capacities and coping strategies of women and men, almost 10 per cent of respondents stated that there was an increase in the prevalence rates of domestic violence against women during the lockdown. The findings further indicate that restrictive measures also increased the burden of unpaid household work on women.³

The Government has closely cooperated with the UNCT members led by WHO since the onset of the crisis, including through the exchange of expertise and the assessment of COVID-19 assigned laboratories. This helped ensure quick and effective measures were in place to contain transmission, such as border controls, restrictions on movement and the designation of hospitals for the treatment of COVID-19 patients. At the same time, efforts have been deployed to ensure the continuation of essential health services, triage of health facilities, and to prevent the indirect health impact of the crisis on the management of other illnesses. Advocacy and technical support actions will ensure the continuation of essential health services and the management of the long-term public health impact of the pandemic.

The COVID-19 pandemic has severely disrupted the education system. For most of 2020, all schools from pre-primary to high education were closed. The Ministry of Education set up several initiatives in cooperation with UN agencies and other development partners to ensure the continuity and sustainability of education. These included TV lessons at the level of general education, launch of the country's largest national online platform - "Virtual School"-, provision of online vocational education, and free access to the "MS Teams" platform in higher education. These efforts allowed the majority of students to continue their education in different formats. However, the digital divide has reduced the effectiveness of learning for students who do not have access to technology. Throughout 2020, weekly monitoring of children access to education showed that no more than 70% of the households surveyed had regular access to distance education.

In the field of environmental protection Azerbaijan has done significant work over the past few years. Nevertheless, integrated action is required to maintain the ecological balance. While there was a temporary reduction in air pollution in major cities during the quarantine periods, mitigation measures enabled industrial pollution to continue. As a result of reduced water flow in the Volga River, the level of the Caspian Sea has decreased, whereas pressure on fishing has increased. Most of Azerbaijan's water resources are formed outside the country, and climate change has led to water resources further declining in the past few years. The Government has initiated prompt actions for the effective management of water resources.

² Human Development Report 2019 <http://hdr.undp.org/sites/default/files/hdr2019.pdf>

³ UN Women/UNFPA Azerbaijan (2020) Rapid Gender Assessment of Covid-19 (unpublished draft)

Azerbaijan has also had to address the impact of the decades-long Karabakh conflict with Armenia, which in its early phases forced over one million persons to flee their homes and become refugees or IDPs. A fragile ceasefire that has been in effect since 1994 is frequently violated leading to serious escalations at times. Efforts to resolve the conflict peacefully under the OSCE Minsk Group process has not been successful. The four UN Security Council Resolutions remain unimplemented. Today, more than 650,000 persons from the occupied Nagorno-Karabakh region and the seven surrounding occupied districts remain internally displaced.

Addressing the needs of IDPs and providing pathways for sustained livelihoods and self-reliance is a key national priority. The Government of Azerbaijan has put in place a comprehensive and well-resourced set of assistance programmes for IDPs. These included the adoption of 34 laws, 118 presidential decrees, and 416 decisions on social protection of refugees and IDPs. In addition, it supported the local integration of 315,000 IDPs in 110 new settlements, and continues investments to improve the living conditions and protection of these groups. It is important to note that all measures taken in this direction to solve the problem are of temporary nature and the only enduring resolution of the IDP problem is their return to their homes in safety and dignity. While the Government has committed to rebuilding the conflict-affected territories as soon as a peace agreement has been achieved, UNCT remains available to render any assistance in this regard.

1.2. NATIONAL VISION FOR SUSTAINABLE DEVELOPMENT

Although the government strategy ‘*Azerbaijan 2020: Vision into the Future*’ concludes at the end of 2020, the Strategic Roadmap on National Economy maintains relevance with its long-term outlook by 2025. The formulation of a new Vision 2030 is under consideration—an intention the Government has made in its 2nd Voluntary National Review report submitted at the High-Level Political Forum in 2019. The new vision is expected to drive SDG attainment through a focus on diversifying the economy, raising output productivity, improving household/national resilience, improving service delivery, and expanding social and environmental protection. Mitigating the negative effects of the conflict in and around Nagorno-Karabakh region of Azerbaijan and accelerating inclusive and resilient growth are also expected to remain central to the Government’s 2030 Vision.

1.2.1 AZERBAIJAN 2020: LOOK INTO THE FUTURE INVESTMENT PRIORITIES

The Government has come a long way in meeting its current vision 2020 strategic priorities, listed below:

- Towards a highly competitive economy;
- The improvement of the transport, transit and logistic infrastructure;
- The balanced development of regions;
- The development of information and communication technologies and ensuring the transition to an information society;
- The development of human capital and the establishment of an effective social security system and labour market institutions;
- The improvement of legislation and strengthening of institutional potential;
- The development of civil society;
- The protection and effective management of cultural heritage; and,
- Environmental protection and ecological issues.

At the same time, the Strategic Roadmap on National Economy, providing a strategy for 11 vital sectors of the economy, completed its first phase for 2016-2020 and is now transitioning into long-term outlook up to 2025, aiming to ensure macroeconomic stability, improve the business environment and promote private sector inflows. In 2020 a COVID-19 action plan was announced to support the population in dealing with the aftermath of the crisis. The plan covered 4.8 million beneficiaries, with over 600,000 individuals qualifying for emergency help in the form of cash transfers. The plan also includes provisions to start rethinking the

economic model, encourage private sector-led innovation and stimulate the digital economy. Though a short-term response, the plan paves the ground for more strategic foresight on ways in which people can be made resilient to potential economic shocks of this scale in the future.

1.2.2. TRENDS, CHALLENGES AND FUTURE PRIORITIES

In the absence of a national development plan fully anchored in SDGs and a vision 2030, and as part of the Cooperation Framework formulation process, the UN Resident Coordinator's office and UNCT conducted consultations to determine national priorities. Meetings were held with the Office of the President, Office of the Prime Minister and Executive Ministries, the State Statistics Committee and State Committee for Family, Women and Children Affairs, civil society leaders, heads of international development agencies and IFIs, academicians, and representatives of vulnerable communities. Through the consultation process, Government counterparts identified the following strategic themes, around which UNCT prioritization must be aligned:

- Economic diversification;
- Private sector development;
- Combating gender-based violence and discrimination;
- Combating social exclusion;
- Strengthening measures to eliminate violence against children and child labour
- Regional and global economic integration;
- Mitigating spatial disparities between regions;
- Strengthening early childhood and primary education, and technical and vocational education;
- Strengthening social and employment services;
- Strengthening primary health care provision and preventive care;
- Strengthening the justice system;
- Strengthening agricultural service and extension outreach;
- Boosting human capital and skills development;
- Modernization and digitization of critical services;
- Public Finance Management (PFM) reforms to improve state efficiency;
- National tourism development;
- Strong integration of the SDGs as key sector performance indicators linked to the budget;
- Improved water resource, environmental protection and climate adaptation and mitigation; and,
- Strengthening evidence-based government through the development of national statistics.

With the appointment of a reform-oriented cabinet in late 2019, the appetite for accelerating change in these areas appears to have increased.⁴ Although on track to meet most Sustainable Development Goals (SDGs), targets related to gender, education, healthcare and the environment require greater attention. Linkages are also missing between the country's sustainable development agenda and its human rights commitments, including the recommendations it endorsed in its 2018 cycle of the Universal Periodic Review (UPR) and the concluding observations of reviews by Treaty Bodies such as the ICCPR, the ICESCR, the CRC and CEDAW. As regards economic policy, diversification remains a primary strategic goal, and measures have been taken to reduce state monopolies that continue to crowd out the private sector and undermine the potential of MSMEs. The unresolved Nagorno-Karabakh conflict, with approximately 7 per cent of the population forcibly displaced, also puts a strain on government services and budget.

Within this context, this section assesses key national development priorities and needs, articulated in the Government strategy, and the extent to which they are linked to the SDGs.

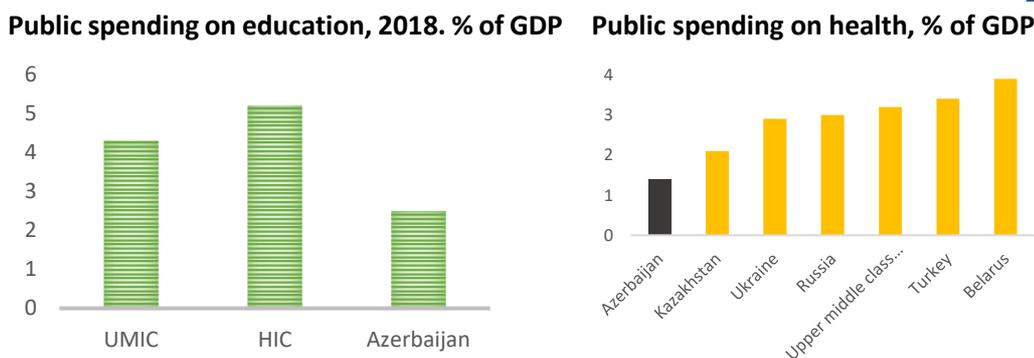
- **Macro-Economy is Not Resilient to Shocks:** Azerbaijan is not only dealing with the aftermath of COVID-19 but also the fallout caused by the collapse in global oil prices in 2014, which led to a deep fiscal crisis, budget deficits and currency devaluation. These, in turn, led to a spike in inflation ,

⁴ It should be noted that this appetite remains focused on creating centers of excellence as opposed to wholesale machinery of government reforms including privatization, civil service reforms and decentralization.

increased food prices and poverty rates, and contracted the financial sector, impacting business growth. The government has taken several actions to strengthen macroeconomic and financial stability in the country, ensure their sustainability and implementation of coordinated policy in this area. In this regard, important decisions such as the establishment of the Financial Stability Board (Council) in 2016, the adoption of Strategic Roadmaps for the National Economic Prospects of the Republic of Azerbaijan, a more rational coordination of fiscal and monetary policy can be noted. As a result of the correction in oil prices, as well as the economic reforms listed above, economic growth rose again to 2.4% in the first half of 2019.

- Despite these developments, wages have not kept pace with the cost of living. Thus, the Government has embarked on a large social protection programme – raising both minimum pensions and wages – at a considerable cost (12 per cent of the annual budget). The 2015 crisis created momentum for structural reforms, which saw the elimination of some duties and taxes for import-export operations and simplification of several licenses for businesses. Tax and customs authorities were also rendered more transparent, and as a result, Azerbaijan’s ranking in Economic Freedom Index developed by the Heritage Foundation improved by 16, making its economy 44th freest countries among 186 assessed countries. The country’s position in many other global assessment indices (Doing Business, Global Competitiveness Index, among others) has also improved, reflecting the recent reforms. Despite this progress, major structural barriers prevent a shift toward a non-oil-based economy. Weak competition and monopolistic behaviour in both real and financial sectors is one of the major impediments. Domestic financial systems are also dominated by a few commercial banks, and the largest three banks account for over 60 per cent of banking sector asset base. The high collateral requirement for credit is another significant factor in limiting access to credit for SMEs and small-holder farmers. Better access to finance and an improved business climate can provide impetus to private sector growth, employment generation, and diversification. Currently, Azerbaijan remains reliant on buoyant oil prices, which in the first half of 2020 fell to its lowest in two decades; far below the US\$ 55 average established in the national budget. A move towards supporting a circular economy has never been more necessary.
- **Lack of Human Capital:** It is difficult to diversify the economy and drive non-oil growth unless a quantum leap is achieved in human capital development. Though certain skills can be imported, skill shortages in the national workforce continue to undermine development. Despite increases in budget allocations in 2019 for education (up by 11.6 per cent) and health care (by 23.1 per cent) overall sector spending is also low based on country comparators. On the Human Capital Index, Azerbaijan ranks 69th out of 157 countries. Globally, 56 per cent of all children born today will grow up to be, at best, half as productive as they could be; and 92 per cent will grow up to be, at best, 75 per cent as productive as they could be. A child born in Azerbaijan today will be 60 per cent as productive when they grow up as they could be if they enjoyed complete education and full health.⁵ Lack of human capital was cited by the Government and the private sector as a primary driver of weak economic performance, requiring greater coordination between market needs and labour skills. Although the development of human capital is one of the main strategic goals in the Strategic Roadmap for the National Economic Prospects of the Republic of Azerbaijan, overall national strategies, including the Strategic Roadmaps, give lower priority to human capital, education, environment and health sectors.
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- all of which are essential ingredients to achieving the SDGs by 2030. Addressing these gaps, as well as enacting policy reforms that enhance the business climate, would attract private capital and foster innovation and transition to a knowledge-based economy.

⁵ World Bank Human Capital Index, 2018: https://databank.worldbank.org/data/download/hci/HCI_2pager_AZE.pdf



- Healthcare (SDG 3):** A strong health-care system, currently free at the point of delivery, remains the cornerstone of sustainable development in Azerbaijan. The Ministry of Health (MoH) leads policy and regulatory oversight, acknowledging the impetus to shift from curative to preventive care. This shift involves greater health promotion and disease prevention in a forward-looking model that the WHO can support and which is already being undertaken, such as through the recently established Food Safety Agency.⁶ In 2016, given rising out of pocket expenses, the Government established the State Agency for Mandatory Health Insurance (SAMHI) to provide citizens with better financial protection. In 2018 the Management Union of Medical Territorial Units in Azerbaijan (TABIB) was created to ensure the implementation of mandatory health insurance in the country. WHO continues supporting the shift to preventive care using a variety of awareness campaigns, training programmes, and digital tools such as online conferences and digital applications. It has expanded partnership in these areas to the MoH, the Public Health and Reforms Centre, TABIB and SAMHI, including to promote wider availability of primary health care. Major challenges in overhauling the system include low public spending on health in general (and on primary and mental health in particular), high infant and maternal mortality rates (though have declined recently) and weak services in rural areas. Pressure on the national healthcare system during the COVID-19 crisis highlighted additional need to ensure that hospitals and medical staff are well equipped to deal with pandemic risks and reach the most vulnerable, including rural populations and older or disabled persons who are not able to leave their homes to seek treatment. The Government has taken a number of important steps to address these issues in a short period of time, such as the construction of modular hospitals, the purchase of new medical equipment, and cooperation with development partners in these areas.
- Education (SDG 4):** The Government's Strategy for Development in Education (2013-2025) guarantees universal access and supports the principle of life-long learning. While primary and secondary enrollment rates remain high, enrollment in pre-schools and tertiary education (25 per cent in 2014-2016) is relatively low. Pre-school learning has been a priority for the Ministry of Education. Working with UNICEF since 2016, the pre-school learning for 5-year-old children at the expense of the state budget in general education institutions has reached to 80% in 2019 versus to 24% in 2013 and targeting to achieve 90% in 2020. Pilots are also carried out to develop community-based early learning centres to increase the access to early learning for children aged 3-4,; aiming to achieve 50 per cent pre-school coverage across all age groups of children within the coming 3-5 years. At the primary and secondary levels, challenges revolve around quality and distribution, as well as access for categories such as children with disabilities and adolescent girls. Spatial disparities in quality have been accentuated by urbanization while human resource challenges remain present for the sector as a whole; with implications for standards. The digital divide that was visible during the COVID-19 crisis

⁶ The evidence for this is clear, particularly the rise in diabetes, hypertension, obesity and other non-communicable diseases (NCDs). The vision for NCD prevention is reflected in two strategic documents: The 2017-2021 Action Plan of the Ministry of Health, and the 2015-2020 National Strategy for the Prevention and Control of Non-Communicable Diseases

uncovered disparities between schools in urban and rural areas, particularly with increased demand for online teaching. Outdated school-based management systems also need upgrading. In addition, given the role of vocational education in the country's economic development and its positive impact on the formation of human capital, special attention needs to be paid to this area.

- **Digital transformation (SDG 9):** in recent years, Information, Communications, and Technologies (ICT) coverage has expanded in Azerbaijan. As of 2020, 3G covers over 97,6 per cent and 4G covers 93,0 per cent of the territory and eighty per cent of the population uses the internet in Azerbaijan. The biennial “The 2020 United Nations E-Government Survey” ranks Azerbaijan 70 according to the E-Government Development Index and 73 according to the E-Participation Index among 193 countries. The Global Innovation Index 2019, developed by the Cornell University in Ithaca, New York, and the World Intellectual Property Organization (WIPO) ranks Azerbaijan 84 among 129 countries according to the results of the development of its innovation ecosystem. The Global Competitiveness Index puts Azerbaijan 15th among 140 countries in the digital skills of population indicator. However, with the outbreak of COVID-19 and shift to remote working and studying, gaps in internet accessibility have been exposed, highlighting the scope for improved utilization of the ICT infrastructure in the country. Furthermore, the crisis has created an environment that could be tailored to accelerate cross-cutting effects on e-governance, digital economy, e-agriculture, e-healthcare, e-education and other sectors. Likewise, implementation of the pilot project “Smart City” (2020-2021) in the near future will follow from the “National Action Plan on the Promotion of Open Government for 2020-2022” approved by the Decree of the President of the Republic of Azerbaijan No. 1859 dated 27 February 2020. It will accelerate the implementation of high-tech solutions process, stimulate the application of innovative solutions in the regions, ensure the participation of the private sector together with the public sector, and contribute to positive results in the socio-economic sectors.
- **Agriculture (SDGs 6,15):** Agriculture remains a strong pillar of growth, and between 2013-2017 constituted some 5.6 per cent of GDP and 36 per cent of labour.⁷ Small landholders constitute 80 per cent of all production, and with comparative advantages in certain export products and the strong employment elasticities, eliminating access obstacles to finance and market and investing in these MSMEs can substantially increase value addition across the sector. The Government is moving towards a policy of agriculture-led industrialization, with particular focus on good governance, proximity to farmers, innovation and digitization (promoting e-agriculture concepts and smart villages), value chain development and export promotion. The Ministry of Agriculture’s long-term strategy is built around five pillars: building analytics, delivering solutions, driving knowledge and capacities, providing assistance, and enabling trading. Promoting women’s representation in rural organizations and support for women entrepreneurs is also being supported, with strong linkages to SDG 5.
- **Employment and Social Protection:** The Presidential Decree of 9 August 2018 resulted in profound changes in social protection. The Ministry of Labor and Social Protection of the Population has pioneered an overhaul of the entire minimum wage, pension and disability system (around 12 per cent of the national budget as of early 2020). As a result, significant progress has been achieved on numerous indicators. For example, in September 2019, the minimum wage was increased by 40% to 250 manat. The increase affected about 600,000 people, including 450,000 workers in the public sector. In addition, the average old-age pension was increased to 249 manat. Automation of old-age and disability pensions was implemented, and compensations were made to banks and consumers following devaluation.

⁷ <https://www.adb.org/sites/default/files/institutional-document/510266/cps-aze-2019-2023.pdf>

- The Government has also pioneered service shedding of the public sector through the setup of the State Agency for Public Service and Social Innovations (including ASAN Service⁸), the State Agency for Sustainable and Operational Social Security (DOST) and the ASAN Support Service to Family Business (ABAD). The ASAN Service, which received the "UN Public Service Award" in 2015, is considered to be among the best practices in the world in terms of delivery of public services in a transparent, accessible and innovative manner.

These policies are a testament to the Government's commitment to significantly cut red tape. DOST, for example, has automated 132 services in effect becoming a digitized one-stop-shop for improving employment services, social protection and insurance. More than 650,000 forcibly displaced people also remain a social protection priority. The package of COVID-19 benefits that were announced in mid-2020 invited people who lost their jobs, including in the informal sector, to register online to access a single payment equal to subsistence rate, reflecting the Government's vision for universal access to social protection.

- **Gender Equality (SDG 5):** Consultations with the Government showed that accelerating progress in gender equality remains critical to leaving no one behind. Lack of political representation in business, public and political life has contributed to a gender gap score of 0.676 in 2017, the second lowest in Eastern Europe and Central Asia.⁹ According to the WEF's Global Gender Gap Index, which ranks 144 countries on gender parity, Azerbaijan's rank fell from 86 in 2016 to 98 in 2017 in four dimensions (economic participation from 38 to 45, educational attainment from 83 to 91, health and survival from 138 to 142, and political empowerment from 124 to 131).. Azerbaijan also has one of the most skewed sex ratios at birth globally (drop from 116–114 boys to 100 girls in 2014–2017). An estimated 14 per cent of Azerbaijani women between 15 and 49 years of age experience intimate partner violence (physical and/or sexual) at least once in their lifetime.¹⁰ Evidence also shows that 33 per cent of men report perpetrating violence against a partner while 32 per cent of women report experiencing physical violence. A high number of women also consider that partner violence can be acceptable, with 11 to 59 per cent believing that various specific circumstances justified a partner's use of violence against a woman.¹¹ According to Government statistics, women's share in the labour force is 48.1 per cent compared to 51.9 per cent for men and women face a higher unemployment rate at 5.9 per cent, compared to 4.1 per cent for men. Women are mostly concentrated in low-paid sectors, according to the Democracy Monitor, and occupational patterns are highly gender segregated with 73.8 per cent of women working in the field of education, and 76.5 per cent working in health and social services. It is worth noting that recent wage reforms in education sector have pushed average monthly wage in this sector close to average wage in the country. However, overall, women earn only 50.6 per cent of what men earn in the labor market. Women are underrepresented as business owners with only 21.5 per cent of registered businesses being operated by women. As of January 1, 2020, there are 198,305 individual women entrepreneurs in the cities and regions of Azerbaijan.

Though present in the civil service, women are underrepresented at all levels, especially senior levels and in judicial positions. The State Committee for Family, Women and Children Affairs is committed to addressing these gaps. The National Action Plan for promoting the value of a girl child (2020-2025) drafted with UN support was endorsed in February 2020. Four national action plans are pending approval of the Cabinet of Ministers: Gender Equality (2019–2024), Prevention of and Response to Gender Based Violence (2019–2023), Implementation of Resolution (S/RES/1325) on Women and Peace and Security (2019-2023) and the Action Plan on Ensuring Women's Employment.

The State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan was established by the Decree of the President of the Republic of Azerbaijan No.685 dated 13 July 2012. The first "ASAN service" center was opened on 29 December 2012 and started operating as of 15 January 2012

⁹ World Economic Forum. 2017. The Global Gender Gap Report, 2017. Geneva

¹⁰ UN Women. 2010. Global Database on Violence Against Women. <http://evaw-global-database.unwomen.org/en/countries/asia/azerbaijan> (accessed 15 October 2019).

¹¹ UNFPA/SCFWCA (2018) Gender equality and gender relations in Azerbaijan: current trends and opportunities. Findings from the Men and Gender Equality Survey (IMAGES). Baku, Azerbaijan

Future priorities of Government include: (i) updating laws related to gender equality (ii) increasing awareness on women's rights (iii) combating gender-based violence (iv) increased support for women entrepreneurs, and (v) sexual and reproductive health and family planning. In addition, awareness-raising events are held by the Committee related to the implementation of the "Action plan on the prevention of gender-biased sex selection (GBSS) for the period of 2020-2025". The plan was approved by the Order of the Cabinet of Ministers of the Republic of Azerbaijan, dated 24 February 2020, to increase the level of knowledge in the field of reproductive behaviour of families at risk, strengthen the education of young people and adolescents in the field of sexual culture, prevent the increase of the number of unwanted pregnancies and the number of abortions, and prevent sex-based selection during pregnancy.

- **Environment and Climate (SDG 13):** Climate change has already made a negative impact on Azerbaijan. The water sector is the most affected sector among them. Drought and declining water resources have been observed over the past few years. At the same time, many areas below sea level are flooded, which reduces agricultural productivity. Ecotourism has significant potential and there are 10 protected natural areas with national park status. Azerbaijan has acceded to the Framework Convention on Climate Change and its Kyoto Protocol ratified the Sendai Framework and is aiming to increase the use of alternative and renewable energy sources. Azerbaijan has also set the target to reduce greenhouse gas emissions by 35% by 2030 under the Paris Climate Agreement.
- **Water (SDG 6):** The bulk of Azerbaijan's water resources is formed outside the country. Climate change has led to declining water resources over the past few years. The Government has initiated prompt measures for the effective management of water resources. A Commission was established in order to ensure the efficient use of water resources, improve water economy management and coordinate activities in this area. And "Action Plan for Ensuring the Effective Use of Water Resources in 2020-2022" was approved by the President of the Republic of Azerbaijan. In addition, Azerbaijan acceded to the Helsinki Water Convention in 2000. Yet failure by neighboring countries to ratify the Water Convention and the absence of a legal basis for transboundary cooperation and water resources management undermines water safety. Only half of the population has access to a potable water supply network. There are also many losses in water transportation, which in some cases reaches 40-50%. Azerbaijan is a water-scarce country facing water stress conditions, with a long-term average annual water exploitation index (WEI) of greater than 30.5 % (WEI = 41.2 % in 2017)¹². Water stress is increasing and standing at 53.7¹³, indicating a worsening trend is foreseen. Water shortages affect land productivity and threaten the livelihoods of small farmers and rural populations more broadly. Water usage efficiency is also low with 0.230 m³ used to realize 1 unit of economic output, above the regional average of 0.111 m³¹⁴. The national policy is now focused on improving water treatment, reducing losses, creating alternative water resources, recycling, quality and waste management.
- **Regional Cooperation and Integration:** A number of large-scale projects are implemented to develop international transport corridors passing through the territory of the Republic of Azerbaijan, which is located in a strategic position. The government is investing in the infrastructure of the North-South and East-West international transport corridors, and is taking important steps to harmonize logistics and simplify trade. Projects include the Baku-Tbilisi-Kars railway and the construction of the New Baku International Sea Trade Port. Similarly, the railway infrastructure located on these corridors has been upgraded, and all roads have been brought to the first technical level. Presently, relevant work is being performed to increase the country's existing transport potential and transit opportunities, to turn it into an important trade and logistics hub and to create digital transport corridors. Azerbaijan pursues a policy aimed at developing infrastructure and links in the region, integration into the global economy, and ensuring security and stability. This policy is implemented in cooperation with all

¹² <https://eni-seis.eionet.europa.eu/east/indicators/c2-2013-freshwater-abstraction-in-the-republic-of-azerbaijan>

¹³ State Statistics Comitee

¹⁴ <https://sdghelpdesk.unescap.org/re/azerbaijan.html>

neighbors. The establishment of the Alat Free Economic Zone, which is important not only for Azerbaijan but also for the region, plays an important role in increasing the inflow of goods into the country, providing employment, as well as supporting regional economic cooperation and integration. It should also be noted that the Baku International Sea Trade Port was awarded the “EkoPorts” certificate by the European Sea Ports Organization last year. The certificate promotes the deployment of advanced technologies, especially in the fields of energy use, waste management, air quality, digitalization and automation.

- Azerbaijan is an active member of the regional trade platforms CAREC and TRACECA, while UNCTAD is also supporting e-commerce growth with the European Union. These platforms can help stimulate economic growth, increase the competitiveness of Azerbaijani products and accelerate regional development, as preconditions for inclusive economic growth, poverty reduction and sustainable development. Moreover, Azerbaijan plays an increasingly important role in regional stability through its chairmanship of NAM, GUAM and the Turkic Council, and it has deployed important efforts to promote regional and global solidarity in response to COVID-19. Azerbaijan maintains close cooperation with the European Union in the framework of the European Neighbourhood Policy and its eastern regional dimension, the Eastern Partnership. Several focus areas of the EU-Azerbaijan Partnership and Cooperation Agreement - Stronger Economy, Stronger Governance, Stronger Connectivity and Stronger Society - are in alignment with the UNSDCF priorities, aiming at improving quality of life through enhanced policy response. The partnership also supports delivery on global policy goals set by the 2030 Agenda and the Paris Agreement on Climate Change. On the other hand, Azerbaijan closely cooperates with the OSCE. The implementation of the OSCE project "Promoting Green Ports and Connectivity in the Caspian Region" will enhance not only the digitalization, but also the efficiency and competitiveness of the transit and trade operations of Baku, Aktau, Kuryk, Turkmenbashi ports, as well as the attractiveness of the Trans-Caspian transport route. Azerbaijan is also a member of the Partnership for Good Governance (PGG) programme of the Council of Europe, which supports the country to bring national legislation and practice closer to norms established by international law in the field of human rights, the rule of law and democracy. The second phase of this partnership covers 2019-2021 and it focuses among other areas on cyber resilience, access to justice for women and victims of discrimination, and ending child sexual exploitation and abuse, all of which are areas targeted by the UNSDCF. Azerbaijan is also a member of the EU Water Initiative regional programme (EUWI+), which helps six countries in the region advance their legislation in the field of water management and improve the management of trans-boundary river basins. The Cooperation Framework implementation will build on the benefits of the country's participation in the UN SPECA ¹⁵ on such issues as water, energy, environment, sustainable transport, transit and connectivity, trade, statistics, knowledge-based development and gender, drawing as required on the UN Regional Economic Commissions (UNECE and ESCAP) for sub-regional policy analysis, data and advisory services.

- ***Effective institutions, including justice (SDG 16)***: The consultations showed that efforts are needed to enhance the accountability and transparency of public institutions, promote the rule of law and further engage civil society actors in institutional oversight. Strengthening capacities of the criminal justice and legal system, particularly the Constitutional Court, Supreme Court, Ministry of Justice and General Prosecutor Office, in line with norms established by international law, remains an important priority in order to protect human rights and attract investors. The successful implementation of the 3 April 2019 Presidential Decree on deepening of judicial and legal reforms - a “roadmap” aiming to improve the access, transparency, and efficiency of the delivery of justice services - is vital for increasing public confidence in the judiciary and creating a favorable business environment. Access to justice also deserves greater attention, especially for people who are not visible in the public sphere, such as victims of human trafficking and domestic violence.

¹⁵ <https://www.unece.org/speca/welcome.html>

- **Conflict prevention:** The conflict between Armenia and Azerbaijan in and around the Nagorno-Karabakh region of Azerbaijan is a threat to peace, security and regional cooperation needed to foster trade, connectivity and development. Steps must be taken to ensure the right of IDPs to return safely, decently and voluntarily. The opportunities of providing training to relevant local authorities on how to organize the return and resettlement of Azerbaijani IDPs displaced as a result of the conflict, in accordance with international standards and best practices, and supporting IDP communities for necessary preparatory activities and raising their awareness shall be reviewed. Other steps need to be taken toward the implementation of UN normative frameworks such as on Women, Peace and Security (resolution 1325 (2000) and subsequent resolutions); Youth, Peace and Security (resolutions 2250 (2015) and 2419 (2018)), the Strategy and Action Plan on Hate Speech, as well as advocacy and support for the rights of displaced persons.
- **The State of Statistics:** The Government recognizes that evidence is key to effective policy formulation. Azerbaijan aims to adapt to European Statistical Standards (ESS). In 2019 a National Information Portal on the Sustainable Development Goals (SDGs) was jointly established by the State Statistics Committee (SSC) and the UNDP. The Statistics Committee also launched its SDG report, presenting statistics on 86 indicators. The national statistical database is regularly updated with new sex-disaggregated indicators across a range of sectors with the support of UNFPA. Data challenges can be found in many sectors and they highlight the leading role that UNCT can play in strengthening data systems. In early 2020 a joint UNCT and SSC taskforce was established to strengthen the data framework for SDG monitoring and reporting. A national Multi-Indicator Cluster Survey (MICS) is also to be rolled out with UNICEF's support.
- **National Budget Allocations and the SDGs:** The national budget is not directly linked to SDG performance. In 2020 a budget deficit is expected with an expenditure of US\$ 16.58 billion and predicted revenues of US\$ 16.23 billion.¹⁶ By the end of 2020, revenues from other cities and regions, excluding Baku, will be US\$ 494 million, an increase of 28.6 per cent from 2019. Transfers from the State Oil Fund (SOFAZ) to the budget have increased from 7.6 billion manat in 2016 to 11.3 billion manat in 2020¹⁷. One key feature of the 2020 budget is a 9.9 per cent increase in social expenditure to around 40.7 per cent of the total budget. State expenditures continue to increase at a faster rate than fiscal resources, despite the push to increase non-oil revenues. This pattern is likely to continue as the country allocates more resources to health and social services to cope with the socioeconomic impact of COVID-19. As a result, the expected fiscal deficit is likely to be larger than what has been forecast in budget papers. Improving Public-Private Dialogue (PPD) through Public-Private Partnerships (PPPs) can further leverage in greater capital in anticipation of greater demand for social and environmental services in the coming years.

1.3. PROGRESS TOWARDS THE SDGs

Azerbaijan is set to make considerable progress towards the attainment of the 2030 Agenda, though a number of targets risk being missed. The country has prioritized all 17 SDG goals, 88 targets and 119 indicators. The indicators and targets were chosen based on national priorities, strategies and the country's development needs. In 2016, a year after launching the SDG initiative, the Government established the National Coordination Council for Sustainable Development (NCCSD), a high-level government agency to coordinate the integration of SDG targets into state strategies, plans and programmes and to monitor the country's progress towards the 2030 Agenda. The Council's Secretariat is based at the Ministry of Economy and reports

¹⁶ Revenue is expected to fall drastically lower with the 2020 collapse in oil prices and lower tax revenues caused by the COVID19 crisis

¹⁷ <https://www.oilfund.az/en/report-and-statistics/budget-information/4> <https://www.oilfund.az/en/report-and-statistics/budget-information/41>

to the SDG Council chaired by the Deputy Prime Minister. Two Voluntary National Reviews have been conducted to date and a National Information Portal on SDGs has been launched. These actions have provided a clear framework around which joint partnership priorities can be coordinated and monitored.

Voluntary National Review of SDGs:

The 2019 Voluntary National Review (VNR) highlighted achievements met, lessons learned and ongoing challenges in the implementation of SDGs 4,8,10,13,16,17. Primary challenges included the following:

- i. Insufficiently developed and aligned statistical framework and lack of comprehensive quality data around which targets can be prioritized;¹⁸
- ii. The ongoing conflict in and around the Nagorno Karabakh region of the Azerbaijani Republic and lack of a lasting political settlement continue to impede SDG achievement;
- iii. Limited environmental awareness undermines the fight against climate change, requiring efficient and responsible resource consumption, waste management in major industries and a shift to a circular economy.

The lessons learned included increasing private sector participation and financing of the SDGs as well as costing and integrating the nationalized SDG targets and indicators into the state budgeting processes, along with other state planning documents.

Common Country Analysis (CCA) Results

The CCA identifies six major areas where efforts must be scaled up to attain the SDGs: (i) the income-generating ability of young people and other groups such as women and small farmers, who remain vulnerable to economic shocks; (ii) the quality and reach of public services to the most vulnerable in society, including in the education, health and justice sectors (iii) environmental pollution and degradation (iv) spatial and gender inequalities; (v) institutional capacity to design evidence-based development policies, and (vi) the continuing detrimental effects of the the conflict in and around the Nagorno Karabakh region of the Azerbaijani Republic. The analysis finds that some groups suffered the consequences of the currency devaluation crisis of 2015 and the COVID-19 pandemic more than others, which presses the country to adopt new policies that promote long-term resilience to these shocks. Therefore, the CCA recommends a people-centric approach, recognizing the specific impact of development challenges on vulnerable groups, and targeting concrete changes at the level of well-being and the enjoyment of human rights and freedoms.

When these challenges were assessed against vulnerability determinants, the following three major groups were highlighted as being left behind:

- ***Children:*** Particularly those living in large households, on the street, or in institutional care. Children with disabilities and girls were also found to face greater vulnerabilities.
- ***Women:*** Especially single mothers, adolescent girls living in rural areas, victims of Gender-Based Violence, and pregnant women with disadvantaged backgrounds; and,
- ***Other groups:*** Adults with disabilities, Internally Displaced Persons living in rural areas, small-holder farmers, people who abuse drugs and substances, elderly men and women, the Roma population, refugees and stateless persons, migrants, LGBTI persons and victims of trafficking. In addition, young persons have not been able to take full advantage of development, as they remain ill-equipped for the demands of future labour markets.

The CCA suggests that the COVID-19 recovery phase should be used as a catalyst for policies to eliminate the root causes of marginalization that make the five identified challenges to sustainable development persist.

¹⁸ The results of the CCA point to (i) data scarcity on key issues (ii) lack of data disaggregation (iii) data reliability concerns, and (iv) direct data gaps with only 35 per cent of all SDG indicators available.

For instance, unequal pay and access to property between women and men limits households' ability to sustain livelihood and avoid poverty. Stereotypical attitudes make children with disabilities less likely to continue their education. Enrolment of children with disabilities is provided in various forms. In 2019, among 54,000 school-aged children who were registered with disabilities on a purely medical classification, 14,301 were enrolled in certain forms of special education as defined by national legislation.¹⁹ According to the Ministry of Education, a significant number of children with disabilities are studying in general education facilities.

The digital divide also prevents people in rural areas and urban populations living in poverty from enjoying the benefits of digitalized public services. As of 2020, only 5.3 per cent of households with an average monthly income of less than 200 manats own a computer, while 80 per cent of households earning more than 400 manats per month own one. Similarly, while the number of internet users per 100 habitats in Baku is 91.6, the same indicator for Lerik region stands at 70,4.

Observations regarding the need to address the root causes of marginalization that produce development gaps align with several recent recommendations of UN Human Rights Mechanisms, including the Human Rights Council. In 2018, Azerbaijan completed the third cycle of the Universal Periodic Review (UPR). Of the 259 recommendations it received, it accepted 179 for implementation and 66 for further review²⁰. Several recommendations supported by the Government specifically focus on the groups identified in the CCA as left behind; for instance:

- 140.105 Ensure women's decision-making powers concerning their health status and the use of abortion for family planning;
- 140.144 Continue implementing programmes and projects aimed at ensuring access to inclusive education for all children with disabilities;
- 141.99 Grant all asylum seekers access to the asylum system, by ensuring that the definition of refugees is compatible with article 1 of the 1951 Convention²¹;
- 140.97 Continue strengthening poverty reduction policies for rural areas, including through measures to strengthen small sustainable agriculture;

Given the interplay between these recommendations and the SDGs, the UNSDCF provides a platform for their systematic implementation and reporting on progress by the Government. Thus, the formulation of all results and indicators incorporate baselines and targets that help measure the extent to which marginalized groups have been able to enjoy their human rights as a result of sustainable development programming. Emphasis is placed on policy mechanisms that may accelerate progress in achieving these targets. The CCA proposes several possible accelerators and drivers: (i) decentralize service delivery (ii) promote evidence-based policy formulation (iii) avoid duplication of state functions and crowding out of the private sector (iv) reduce overdependence on oil for growth and fiscal resources (v) address perceptions of corruption; and (vi) recognize limitations in legal enforcement and compliance.

1.4. GAPS AND CHALLENGES

Despite considerable progress, of the 17 SDGs and 88 targets selected by the Government, 6 have been highlighted by the CCA as requiring particular attention. These include:

- **Target 3.4:** reduce premature mortality from NCDs;
- **Target 5.5:** share of women in leading positions;
- **Target 7.2:** share of renewables in total energy mix;
- **Target 8.3:** informal employment;

¹⁹ State Statistics Committee of the Republic of Azerbaijan and UNICEF, *calculated by UNICEF*, 2019.

²⁰ <https://lib.ohchr.org/HRBodies/UPR/Documents/Session30/AZ/MatriceRecommendationsAzerbaijan.docx>

²¹ Under the Law "On the Status of Refugees and IDPs" the definition "Refugee" is fully compatible with the referred 1951 Convention.

- **Target 9.5:** spending on research; and,
- **Target 11.6:** pollution and waste management.

The analyses emerging from VNRs, CCA and SPW outcomes reveal the primary gaps that impede progress towards the full attainment of the 2030 Agenda. Given that social, gender and income disparities are substantially geographic in nature, gaps are both vertical (i.e. sectoral) and horizontal (i.e. administrative) in nature.

- **Gap 1: Limited income-generating opportunities (combined with weak human capital) available to vulnerable groups.** Income for 40 per cent of the population sits just above the poverty line²², with public sector salaries (often female-dominated jobs) also set relatively low. Although social protection measures address some of these concerns, solutions that empower individuals and promote long-term resilience need to be found.
- **Gap 2: Insufficient reach of frontline public services including in education, health and social protection to the most vulnerable,** as targeted policy responses are limited by data scarcity and lack of disaggregation. PFM reforms, particularly the introduction of Medium-Term Expenditure Frameworks (MTEFs), will be central to achieving Vision 2030 and closing this gap.
- **Gap 3: Environmental pollution and degradation** undermine human development, ecological stability and growth. Dependence on oil contributes to this gap and, while Azerbaijan is party to various international plans and protocols, Efforts need to be further strengthened in this area.
- **Gap 4: Spatial and gender inequalities** continue to exist as a result of exclusionary social practices and policies that do not sufficiently address the impact of geographic and market isolation on women.²³ These are observed in multiple dimensions, from income generation to service delivery access.
- **Gap 5: Capacity gaps remain in key institutions** such as health, education and business-enabling services. Despite major improvements, gaps in human capital, transparency issues and perceptions of corruption undermine public trust and limit the fiscal benefits of service-shedding.

Based on these gaps, the UNCT has identified several entry points at the policy level that it will be able to support as they involve structural reforms rather than short-term response measures. In designing this response, detailed in the next chapter, the UNCT has specifically focused on interventions that do not just inform and support Government policies but also help strengthen national capacities for the benefit of the furthest behind.

²² In 2018 the National Poverty Line was 175.2 manats based on a minimum consumption basket

²³ The Gini coefficient, for example, increased from 3.47 in 2000 to 17.07 in 2018

CHAPTER 2: UN DEVELOPMENT SYSTEM SUPPORT TO THE 2030 AGENDA

This chapter outlines how the UN development system can best support Azerbaijan in accelerating progress towards the 2030 Agenda by attaining prioritized SDG targets and indicators. It builds on the findings of the United Nations-Azerbaijan Partnership Framework (2016-2020) Evaluation, the results of the CCA country diagnostic, and stakeholder consultations. The chapter articulates the collective response of the United Nations as a vehicle for supporting rights-oriented economic transformation, offering options to reframe development policies and practices to ensure they work for everyone. A new set of partnerships is proposed, particularly with the private sector and civil society, development finance institutions and institutional investors. This helps lay out concrete actions to turn the collective promise of leaving no one behind into tangible results. More than anything, however, the priorities established here constitute tailor-made responses to the needs and realities identified in partnership with the Government and men and women of Azerbaijan.

2.1. THEORY OF CHANGE

Using the results of the CCA, the UNCT has identified accelerators, which are catalytic interventions that address the bottlenecks impeding progress. With a focus on the period 2021-2025, the theory of change provided below translates these accelerators into critical linkages between the causes of gaps and solutions to be put in place across activities, outputs, outcomes and impacts under each of the priority areas.

The overall theory of change underlying the UNSDCF is that the SDGs can only be achieved in Azerbaijan when *people left behind are empowered to realize their rights through adequate institutional support and increased resilience*. The country will be able to stay on track for the SDGs and mitigate the enduring impact of COVID-19 and other potential crises on people, including conflict-induced, when drivers of exclusion and marginalization are removed. This transformation addresses capacity gaps identified in the CCA and in further consultations with the Government, in particular the need for greater avenues for public participation in decision-making, more accountability in the delivery of public and social services, and policies that serve to eliminate discrimination. The transformation requires a change in mindset in which policy responses and indicators of achievement are reformulated based on entitlement rather than according to need. Both the Government and its UN partners are primarily accountable to rights holders in their interventions, and they use statistical evidence as well as international human rights norms and principles to measure their quality and effectiveness.

The theory of change is also founded on the premise that UNCT support constitutes a very small percentage of Government, private sector and development finance institution spending. As a result, an optimal approach is proposed that ensures the UN system builds from its natural comparative advantage and works to improve evidence-based policy and decision making to leave no one behind. Identifying and delivering best practice that can be replicated and scaled beyond individual projects is recognized as an essential prerequisite for the achievement of results. The UNSDCF recognizes that there is a ground-breaking opportunity for international organizations, multilateral development banks, and the international community to push for systemic changes in the country towards financing SDGs. Therefore, the UNCT will support the Government's efforts towards a) integrating the SDGs in the national development plan, and as part of the monetary policy; b) developing an intelligent approach to collect, measure and track the implementation of the SDGs by the public and private sector; c) improving strategic collaboration across public and private sectors to strategize SDG implementation; d) launching fiscal incentives and policies to attract, retain and scale-up responsible investments to green assets and projects; e) managing public-private partnerships programmes to incentivize and nurture inclusive and sustainable businesses; f) aligning non-financial risk management systems (environmental, social and governance practices) in public financing policies; g) designing a holistic and participatory Integrated National Financing Framework that encapsulates the necessary conditions to support

green growth. This approach will help ensure an integrated response to the needs of the Government to optimize resource allocation towards national development ambitions, as well as to ensure their alignment with the SDGs agenda. In addition, the UNCT will play a strategic role to expand the dialogue and coordination between public agencies and the private sector, and to nurture relationships with international organisations and investors.

Change that Enables Structural Solutions

The UNSDCF moves away from agency-specific projects to collaborative and structural solutions that address the root causes of marginalization and are more closely aligned with Government priorities. To do so, it introduces a new way of working at the outcome and outputs levels in which a new constellation of UNCT partnerships directly speaks to rights holders. This new modality has been chosen as it unites all UN entities working with Azerbaijan around a more synergistic engagement inclusive of the most vulnerable in society, and it also helps better situate the UN system's contribution to sustainable development outcomes.

As the United Nations focuses its efforts on strengthening public policy for those left behind, several steps are taken to ensure that institutions are well equipped to deliver on the SDG promise and fulfil the country's human rights commitments. Under the UNSDCF institutional capacities are further strengthened to improve evidence, benefit from best practices, access new financing modalities, and strengthen the monitoring and evaluation of impact. The theory holds that bringing systemic changes informed by expert advice and placing people at the centre of all decisions delivers greater multipliers. Thus, strengthening public policies and building institutional capacities to reach those left behind will bring positive changes to existing systems and improve the human impact of public policy. For example, support for education, healthcare and agriculture is systems-wide and not project-based. Support for inclusive and gender-equitable growth focuses on policy, regulatory, and best practice development. Such a support may be provided through a country-level "***SDG Accelerator Pooled Fund***" that consolidates and leverages funding towards the country priority SDGs and facilitates policy makers' access to world class expertise in the priority areas. Furthermore, the UN Joint SDG Fund will ensure an Integrated National Financing Framework (INFF) is based on a holistic vision of fiscal planning and management that goes beyond traditional public financial management techniques to include resources of private nature. This will help operationalize future SDG-aligned policies as well as promote an integrated and gender inclusive financing framework.

Improving Resilience and Reducing Vulnerability

Vulnerability to social and economic shocks reflects the diminished capacity of an individual or group to anticipate, cope with, and recover from the impact of a natural and/or human-made hazard. The CCA showed that vulnerable groups and people living in poverty are more prone to experience the adverse impact of crises as they lack the skills and mechanisms to be able to cope with those extraordinary events. Therefore, the Cooperation Framework will be implemented in a manner that builds the capacity of people and institutions to better plan, prepare for and respond to hazards. In all interventions, the emphasis is placed on achieving changes at the level of skills as well as the availability and quality of services that decrease fragility and improve preparedness. These include, for instance, employability and entrepreneurship targets, high-impact health interventions, mechanisms that promote public participation in decision-making, and adaptive technologies and policies in agriculture and climate action as well as urban and smart cities development. Given the importance of Information and Communication Technologies in COVID-19 response, the UNCT will support the acquisition of new digital capacities that facilitate access to public and social services for vulnerable groups and strengthen e-governance systems. Data disaggregation will also be used in all indicators to assess the extent to which resilience parameters have positively reflected on the situation of different groups and their ability to cope with risk.

Strengthening the Prevention Agenda

Echoing the Secretary-General's emphasis on prevention in the Sustaining Peace Agenda²⁴, both the Government and the UNCT recognize that development should be central to conflict prevention and sustaining peace. In the absence of a definitive settlement of the Nagorno-Karabakh conflict, the prospect for future flare-ups will continue undermining efforts to achieve the SDGs. The UNSDCF recognizes that the protection of human rights will help mitigate the adverse impact of the conflict on development planning, strengthen humanitarian response when necessary, and pave the way for long-term peace. Therefore, all UNCT actions and results will be utilized to prevent and address grievances that can threaten the development agenda. This will be achieved in two ways:

First, by ensuring that human rights information and analysis -including data on groups who are most affected by the conflict - is available early on to help adjust or reprioritize developments activities. This includes, for instance information on new populations who have been displaced, potential disruptions in the schooling system, and the impact on livelihoods. This information will be used to identify targeted actions that enhance access to social protection and essential services for these groups, including in education, employment and healthcare.

Second, by setting up civil society platforms that help promote transparency in public service delivery and public participation in decision-making. These platforms will also allow people, including youth, to voice their grievances and seek redress, either through the formal justice system or through local community support. They will help strengthen social cohesion and provide a space to address the specific impact of the conflict on women and the increased risk of gender-based violence resulting from it.

Third, the framework will help mobilize peacebuilding resources to sustain and deepen UN capacity for engagement with civil society actors and partners in the medium and long-term. Fourth, it will optimize UNCT support to the institutional reform agenda in Azerbaijan, including by offering technical assistance as needed in the areas of countering corruption, judicial reform, governance, and COVID-19 socio-economic recovery. Last, the framework will help integrate norms and standards on Human Rights, Women Peace and Security, Youth Peace and Security, Hate Speech and IDP-related concerns.

Improving Evidence to Strengthen Public Policy and Investment

The Government acknowledges the need to improve the evidence base upon which public policy and investment are made. The UN system will, therefore, work with the authorities, research institutions and civil society organizations to strengthen data collection, analysis and reporting in the priority areas identified. A joint Task Force between the UNCT and the State Statistics Committee (SSC) was established in early 2020 to strengthen SDG data collection and monitoring methods. Additional collaboration will include diagnostic analyses on all outcome areas such as inclusive growth, value chains, equitable opportunities for economic participants, and assessments of the regional cooperation on water and environmental issues.

Strengthening Human Capital Within Existing Systems

At the heart of the development challenge is enabling the expansion of human capital. The UN cannot address this constraint independently. However, change will occur through joining efforts with Government, development partners, private sector and civil society, to strengthen technical expertise for frontline delivery structures, improve linkages between primary, secondary, tertiary and vocational training in line with market demand, and lay the foundation for a knowledge economy.

Introducing Innovative Practices including New Financing Modalities

Given the transboundary nature of several of the identified challenges, in each of the priority areas, change will be accelerated by introducing, piloting and scaling of best practices from other countries. Innovation is

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https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/sg_report_on_peacebuilding_and_sustaining_peace.as_issued.a-72-707-s-2018-43.e.pdf

required as Azerbaijan constitutes a hybrid economy, with dominant oil and public sector economies. Innovation to improve frontline services, to leverage private capital, to transition from funding to financing and to support the knowledge economy will feature heavily. Over the course of the Cooperation Framework, the introduction of innovative finance models will improve competitiveness, efficiency and accountability as well as improve product development and exports. Moreover, a national innovation platform will be established to engage the private sector, vulnerable groups, civil society and academia to canvass alternate approaches. The UNSDCF resource mobilization strategy to follow the Cooperation Framework will outline how the Government and the UN system can best leverage UN comparative advantages to mobilize new forms of capital to support the SDGs.

Enabling Interdependent Changes

The framework recognizes that the outcomes of UN interventions are interdependent and mutually reinforcing. UN expertise in multi-sectoral planning will strengthen linkages between inclusive growth, frontline services (education, health, agriculture and justice), the environment and gender priorities. For example, accelerating inclusive growth for marginalized communities cannot succeed in isolation from human capital development and the elimination of urban/rural disparities. Similarly, improving primary health care has strong linkages with the water and sanitation infrastructure and environmental pollution. Improving gender equality will require a whole-of-government and whole-of-market approach recognizing the different impacts of development challenges on men and women, boys and girls. The theory of change holds that development gaps cannot be filled through a single-sectoral-engagement, but rather with a comprehensive and multidimensional approach.

Establishing National Platforms to Improve Public Policy Dialogue

For change to happen, the private sector and civil society must be engaged, particularly in areas experiencing spatial and gender disparity, and in parts of the economy expected to rise to the challenge of diversification. Yet spaces for sustained participation in decision-making by the private sector and civil society remain limited. More intensive dialogue with the private sector and civil society is essential to greater representation of groups left behind in policy and involved in the decision-making process. The engagement of employers and workers' organizations in national efforts to address economic and labour market challenges is also a key component of public policy. The UN system will therefore work with the Government to establish national platforms to support dialogue with these various stakeholders. Using its convening power and normative role, the UNCT will advocate for and provide substantive guidance to this dialogue and ensure the least visible groups in society are able to steer policy response. This approach will help enable bottom-up accountability, emphasizing the role of regional and district authorities in delivering equitable services.

2.2. STRATEGIC PRIORITIES

The vision that emerged from the CCA process and capacity gap analyses was narrowed down into **four priority areas** for the UN system to focus on over the period of 2021-2025. These priority areas were selected because they respond to country-wide challenges in achieving the 2030 Agenda and reflect the transformative interventions underpinning the theory of change, particularly those addressing the inequitable distribution of power relations in society as well as access to and management of resources. In other words, these priorities help address a wide range of the root causes and gaps that impede progress on the SDGs. Furthermore, these priorities provide strategic openings for the UN System to collaborate with multiple sectors and stakeholders and use its comparative advantages to the fullest. Last, the priorities have the buy-in of the Government, as they converge with its own vision of development in the coming five years.

1. ***Priority Area # 1: Inclusive growth that reduces vulnerability and builds resilience***
2. ***Priority Area # 2: Stronger institutions for better public and social services delivery***
3. ***Priority Area # 3: Protecting the environment and addressing climate change***
4. ***Priority Area # 4: A gender-equitable society that empowers women and girls***

Across the four priority areas, the UNSDCF is intended to ensure the country stays on track of the achievement of the 2030 Agenda targets despite the disruption caused by COVID-19. Thus, the targets set are either formally aligned to international SDG targets, or expressed as nationally localized targets. The alignment of SDGs to results under each priority area is provided below, with full details provided in Annex 1 (Results Framework).

- **Priority Area 1** focuses on SDGs 2 (Zero Hunger), 8 (Decent Work and Economic Growth) and 9 (Industry, Innovation and Infrastructure) ; The Outcome impacts poverty (SDG 1), education (SDG 4), reducing inequality within society (SDG 10) and , promoting peaceful and inclusive societies (SDG 16) and building sustainable cities and communities (SDG 11).
 - **Priority Area 2** focuses on SDGs 1 (No Poverty), 3 (Good Health and Wellbeing), 4 (Quality Education), , 5 (Gender Equality), 12 (Responsible Consumption and Production);16 (Peace, Justice and Strong Institutions), , and 17 (Partnerships for the Goals); The Outcome impacts fostering innovation (SDG 9), reducing inequality within society (SDG 10) and building sustainable cities and communities (SDG 11).
 - **Priority Area 3** focuses on SDGs 6 (Clean Water and Sanitation) and 7 (Affordable and Clean Energy)13 (Climate Action) and 15 (Life on Land);,The Outcome impacts reducing inequality within society (SDG 10), good health and wellbeing (SDG 4), building sustainable cities and communities (SDG 11), fostering partnership for the Goals (SDG 17) and protecting life below water (SDG 14).
- Priority Area 4** focuses on SDGs 3 (Good Health and Wellbeing) and 5 (Gender Equality).The Outcome impacts reducing inequality within society (SDG 10), good health and wellbeing (SDG 3), education (SDG 4) and peace, justice and strong institutions (SDG 17).

As the UNCT works with the Government and other stakeholders to address these priorities, its value addition will be demonstrated through offerings such as:

- Policy formulation;
- Establishing evidence through Improved data collection, analysis and reporting;
- Introducing best practices and country experiences;
- Convening stakeholders;
- Piloting, replicating and scaling up successes;
- Identifying and promoting quick wins;
- Providing a normative baseline for development outcomes; and,
- Joint monitoring and impact evaluation.

At the same time, UNCT's strategic contribution to these priorities will be manifest in three ways. First, the UNCT will help ensure that national efforts in the post-COVID19 recovery phase are steered toward the achievement of the SDGs under each priority area. To this end, the UNCT will work closely with the Government of Azerbaijan to ensure that the forthcoming National Development Strategy (*Vision 2030*) is comprehensive and ambitious, yet achievable, and that it addresses the major impediments in SDG attainment. An initial proposal for UNCT support in articulating Azerbaijan's Vision 2030 for the SDG, ranging from policy advice to financing modalities, was addressed to the Chairman of the National Coordination Council for Sustainable Development. Collaboration with the Government is essential as there is a risk of duplicated efforts and wasted resources if these strategic foresight agendas do not converge. The UNCT is well positioned to fulfil this leading role as it has worked well with national actors in Government and in the development community during the early response phases to assess long-term recovery needs. The assessment of the socioeconomic impact of COVID-19, led by the UNCT in consultation with the Government and development partners, will complement the findings of the previous evaluation documents (UNAPF

evaluation and CCA) by identifying the long-term impact of the pandemic on vulnerable populations. Informed by this assessment, the UNCT will continue offering support to ensure Azerbaijan stays on track of the achievement of the *2030 Agenda* despite the disruption caused by COVID-19.

Second, in delivering against these priorities, the UNCT's modalities of engagement will promote clarity and accountability for results, ensuring they are directly attributable to support by UN development system at-large rather than to single entities as in the past. This will also give Azerbaijan a unique opportunity to benefit from a large SDG knowledge base, including through UN organizations that are not physically present in the country. Several entities, including UNECE, UNIDO, UNDRR, and UNHabitat, among others, have already expressed strong interest in mobilizing their technical resources for the benefit of these priority areas.

Last, the UNCT will support its partners in Government and in the development community with innovative tools and methodologies that help put these priorities to action in the most optimal manner. Platforms such as the UN Global Compact, the SDG Civil Society Forum as well as international and national volunteer schemes and engagement mechanisms will help attract new ideas, connections and/or implementing partners to accompany actions under each priority area, from design to measurement and reporting. This will represent a significant expansion of partnerships than in previous frameworks, and it will open a space for more systemic analysis and evaluation of actions under each priority area.

2.3. INTENDED DEVELOPMENT RESULTS

The Azerbaijan – UNSDCF Theory of Change Overview with intended development results is provided below:

UN-Azerbaijan Sustainable Development Cooperation Framework
2021-2025

Priority Areas	Outputs	Outcomes	SDGs Targeted
PRIORITY AREA 1 Inclusive Growth that Reduces Vulnerability and Builds Resilience	MSMEs and social enterprises are set up and sustained for the benefit of the furthest behind.	By 2025, people furthest behind participate in and benefit from a diverse and innovative economy encompassing future-oriented labour market transformation and access to decent work.	SDG 2 (Zero Hunger) SDG 8 (Decent work and Economic Growth) SDG 9 (Industry, Innovation and Infrastructure)
	Enhanced human capital and a skilled workforce are available in key sectors.		
	International standards regarding decent work, inclusion and the future of work are mainstreamed in policy and in practice.		
	Rural populations diversify income sources and sustainably improve livelihoods.		
PRIORITY AREA 2 Stronger Institutions for Better Public and Social Services Delivery	The national education system is strengthened to ensure inclusive access to quality education and training.	By 2025, people furthest behind benefit from enhanced national capacities and governance structures for social protection and quality public and social services in line with Azerbaijan's international commitments.	SDG 1 (No Poverty) SDG 3 (Good Health and Wellbeing) SDG 4 (Quality Education) SDG 5 (Gender Equality) SDG 12 (Responsible Consumption and Production) SDG 16 (Peace, Justice and Strong Institutions) SDG 17 (Partnerships for the Goals)
	National primary health care and nutrition systems are strengthened to ensure universal coverage and quality, inclusive and high-impact interventions.		
	Providers of public and social protection services have improved capacity to target the most vulnerable groups with quality, effective and innovative solutions.		
	National policies and mechanisms are strengthened to promote and protect human rights, increase access to justice and participatory mechanisms, and sustain social cohesion.	By 2025, quality, disaggregated and timely data is available and used to inform decision-making and policies that leave no one behind.	
	Institutional capacities are enhanced to effectively develop and implement public service delivery, promote e-governance, youth engagement and modernization of services, and to bridge the digital divide.		
	Institutional capacities are strengthened to improve monitoring and reporting on the SDGs and on furthest behind persons.		
National capacities are enhanced to generate evidence-based policies and decisions.			
PRIORITY AREA 3 Protecting the Environment & Addressing Climate Change	Institutional capacities to plan, track and report on climate change, and to access climate finance and technologies, are strengthened.	By 2025, people including those left behind benefit from climate strategies and environment protection policies that ensure natural resources are sustainably managed, livelihoods are protected, and resilience strengthened.	SDG 6 (Clean Water and Sanitation) SDG 7 (Affordable and Clean Energy) SDG 13 (Climate Action) SDG 15 (Life on Land)
	Adaptive policies on land use and water management are set up to enhance the resilience of vulnerable communities.		
	Energy policies and solutions reduce emissions and save energy.		
	Evidence-based policies, mechanisms and practices are adopted to reduce environmental hazards and pollution in urban and rural areas.		
PRIORITY AREA 4 A Gender-Equitable Society that Empowers Women and Girls	Costed action plans on gender equality are set up and implemented.	By 2025, women and girls, including those furthest behind, benefit from enhanced national mechanisms that ensure they are protected from discrimination and violence and empowered to participate in all spheres of life.	SDG 3 (Good Health and Wellbeing) SDG 5 (Gender Equality)
	Stereotypes of women and girls are reduced in public discourse.		
	Women and girls have acquired skills and knowledge to enjoy equal rights and opportunities.		
Cross-cutting Strands: Conflict Sensitivity & Inclusion Gender Equality Human Rights Environment/ Natural Resource Management Climate Resilience			

2.4. COOPERATION FRAMEWORK OUTCOMES AND PARTNERSHIPS

The UNSDCF's four strategic priorities are jointly delivered by the Government and the UN system across five Outcome areas. The theory of change is presented below for each Outcome area, reflecting the transformative effect of actions under each priority and the value-addition of the UN system in partnership with the Government, private sector, international development and other partners.

In addition to promoting external partnerships, results have been designed in a manner that enables stronger coordination between UN and national actors, reducing the time and cost of implementation. Changes at the outcome as well as output levels minimize the need for the UN to develop activity or project-specific agreements with the authorities as in the past. They also facilitate a combination of strategic oversight by the Resident Coordinator and the technical leadership and expertise of various UN entities in their respective mandates. For example, the Country Programme Documents of UNDP, UNICEF and UNFPA are all founded on the UNSDCF outcomes.

PRIORITY AREA 1: INCLUSIVE GROWTH THAT REDUCES VULNERABILITY AND BUILDS RESILIENCE.

OUTCOME 1.1

By 2025, people furthest behind participate in and benefit from a diverse and innovative economy encompassing future-oriented labour market transformation and access to decent work.

Theory of Change

As the Common Country Analysis has shown, young men and women, persons in informal employment, small farmers and people who are not able to adopt a teleworking modality because of the nature of their work or for lacking technological skills will be more vulnerable to the loss of livelihood than others. Economic reform is needed, not just to strengthen productivity but more importantly, to achieve inclusive growth that primarily benefits these groups and other weak sections of the population. Establishing coherent domestic policies around equal access and redistribution is an essential condition to the realization of this Outcome because it both makes the economy more innovative and it strengthens the social contract.²⁵

To achieve this reformist vision of the economy, the UN will work with national actors to ensure that labour market transformation rests on business-driven innovation as well as enhanced human capital. Where there is an enabling environment for innovation, and where people acquire the literacy and access to resources allowing them to increase their economic participation, vulnerability is reduced, and the economy becomes strong enough to sustain employability and protect livelihoods. The COVID-19 path for economic recovery will be used to promote the setup of new MSMEs and social enterprises that restore and expand the economic participation of groups left behind. The UNCT will also tap into its network of expertise and best practices to support new labour market policies and individual capacities, ensuring that young men and women, in particular, are able to acquire skills that match the needs of future employers, and that workers in the informal sector including in the rural areas have access to new income-generating opportunities that reduce the risk of losing livelihoods. The capacity of labour market institutions, including public employment services, will also be strengthened with innovative tools to deliver more inclusive and accessible services to the most vulnerable, the unemployed, as well as to employers. A strengthened system for national labour statistics and international standards regarding the right to work - including those under the ICESCR, CEDAW and ILO Conventions - will guide economic thinking, as they will help measure the extent to which economic diversification and innovation have equally benefited these various groups. To generate equal access to livelihood opportunities in urban as well as rural areas the UNCT will support interventions enhancing urban planning and promoting

²⁵ <https://www.oecd.org/mcm-2018/documents/C-MIN-2018-5-EN.pdf>

a balanced territorial development. UN activities will link up an integrated urban development process with housing as well as with sectoral policies in order to improve local economic growth while mainstreaming the environmental dimension of urbanization and climate adaptation into the development process.

Additional emphasis will be placed on interventions that ensure economic growth is sustainable, diversified and private-sector lead. The UNCT will work with national actors to strengthen institutions that create an enabling business environment for transition to a knowledge-based economy. This will be done through designing policies that eliminate barriers to access to finance, reduce the regulatory burden and promote innovative practices. Affordable credit and SMEs integration into value chains and markets is the lifeline for progress on economic diversification. Stronger participation in value chains will provide SMEs with the opportunity to achieve higher productivity, advanced technology and expanded market access. On the other hand, SMEs' involvement in value chains demands greater managerial and financial resources, the ability to meet international standards and the protection of in-house intellectual property²⁶. To meet these challenges, the UN will work with the Government and SMEs to achieve effective partnerships between public and private sectors to help reap greater benefits of the contained value chains.

The path towards more diversified and private sector-led economic growth will be further supported through targeted interventions in sectors for which Azerbaijan has a competitive advantage, allowing it to develop innovation ecosystems and embrace the Fourth Industrial Revolution. The UNCT will work with national stakeholders to create an enabling environment for this shift and promote the allocation of substantial funding for research and development purposes. New policy measures to incorporate innovation into green growth and harness positive synergies between the economy and the environment will be prioritized.

This outcome primarily targets SDG 8, using indicators SDGs 8.5.1, 8.6.1 and 8.8.2 around employment, income, training and labour standards. This is complemented by SDG 9.3.1 supporting small-scale industries to promote inclusive and sustainable industrialization and foster innovation. SDG 2.4.1 and SDG 2.3.2 indicators focuses on productive and sustainable farming that will benefit small-scale food producers and farmers. The Outcome impacts poverty (SDG 1), education (SDG 4), reducing inequality within society (SDG 10) , promoting peaceful and inclusive societies (SDG 16) and building sustainable cities and communities (SDG 11).

Partnerships

In order to realize this Outcome, the UNCT will work with key government counterparts to ensure they align their policies and data collection practice to SDG and human rights indicators on employment. This partnership will also be an opportunity for government institutions to better consolidate and mainstream SDG data in policies that involve different government agencies - a key recommendation of the UNAPF evaluation. Partners include the Ministry of Economy, National Coordination Council for Sustainable Development, Ministry of Labour and Social Protection of the Population, Ministry of Agriculture, Ministry of Energy, Ministry of Ecology and Natural Resources, Ombudsperson's Office, Ministry of Transport, Communications and High Technologies, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Culture, Ministry of Youth and Sports, State Statistical Committee, ANAMA, State Agency for Public Service and Social Innovations, Ministry of Education, Ministry of Justice, the State Committee for Family, Women and Children Affairs, State Committee for Refugees and IDPs and State Committee on Work with Diaspora among other partners outlined in the results framework.

Development actors who will support this transformation include the Asian Development Bank (ADB) in promoting standards for diversified and inclusive growth, as well as accession to the World Trade Organization (WTO). Partnership will be extended to USAID, seeking their technical assistance on MSME financing, competitiveness and workforce development. Support will also be sought from the World Bank to identify best practices and innovative employment policies that can inform this Outcome. In addition, the UNCT will set up non-governmental discussion fora allowing new actors to influence the economic agenda

²⁶ https://unctad.org/en/Docs/diaeed20095_en.pdf

and reflect the voices and expectations of target groups. These will take the shape of national public-private and civil society dialogue platforms as well as volunteer groups bringing together policy, business and civil society leaders, particularly among youth communities.

PRIORITY AREA 2: STRONGER INSTITUTIONS FOR BETTER PUBLIC AND SOCIAL SERVICES DELIVERY

OUTCOME 2.1

By 2025, people furthest behind benefit from enhanced national capacities and governance structures for social protection and quality public and social services, in line with Azerbaijan's international commitments*

(*including Human Rights and ILO standards)

Theory of Change

The Common Country Analysis showed that changes in the quality and availability of public and social services are not equally perceived by all groups of the population. For example, the closure of schools and the transition to distance education as a result of the COVID-19 pandemic have made education more accessible for children with disabilities, but it also placed some restrictions on children from low-income families who had difficulty accessing essential technical resources for distance education. This has resulted in an exacerbation of structural inequalities in education.

Older persons who are asked to isolate for fear of infection risk losing access to essential healthcare in public hospitals. Access to justice can also be constrained for people living in areas where court processes have not been digitized. Women and girls in confinement can find it more challenging to report cases of domestic violence or seek support from state and non-state protection services in a systemic manner. Populations who continue being displaced across several rural areas, particularly close to the occupied territories, face added challenges related to safety, access to quality education and healthcare, and reduced opportunities to generate income.

The theory of change suggests that unless these inequalities and access constraints are systematically redressed as part of the COVID-19 recovery phase, Azerbaijan may not be able to enhance the quality and reach of its public services in a way that will allow it to attain the SDGs. When governance structures are more responsive to shocks of public services, and when protection services are made available to vulnerable groups without discontinuity, society emerges as more resilient to emergencies and quality services become available to all. Therefore, interventions will focus on achieving stronger governance structures and frontline service delivery, allowing vulnerable groups to benefit from social protection, inclusion and maintaining access to these services. Particular emphasis will be placed on expanding people's knowledge of and access to ICT infrastructure to enhance e-governance and ensure that public and social services are available and accessible online. At the same time, the UNCT will seek to complement changes in formal governance structures with initiatives that build capacity for resilience and social cohesion at community-level, with a focus on awareness of human rights and justice frameworks. This will help address root causes of social unrest that may undermine conflict prevention efforts.

The Outcome, therefore, focuses on several tracks of intervention for which the UNCT is well-positioned to make a difference given its sectoral expertise: education, health, social protection, e-governance and the justice system. Considering that universal access to these public services is already guaranteed by law, the UNCT will support change by identifying improved service delivery models, volunteer mechanisms and establishing standard operating procedures and technical skills for civil servants to target vulnerable groups. To be able to better track progress, the UNCT will ensure that baselines and achievements for this response are guided by ILO and international human rights standards under the ICESCR, the CRC, the CRPD and CEDAW regarding accessibility, quality and adequacy.

In **education**, the focus of the intervention will be on inclusive access to education and vocational training, ensuring that teachers and trainers are able to deliver quality curricula to all. If this occurs, Azerbaijan will be able to go beyond the target of universal gross enrolment in pre-primary education and rather achieve an equitable, skill-driven education system that maximizes human capital and wellbeing. In **healthcare**, the UNCT will strengthen national strategies that monitor the quality of service delivery and promote a patient-centric approach, including home visits for older persons and nutrition and reproductive health counselling for women. If this is achieved, there will be expanded availability of quality health for all, with greater access to primary and preventive care for which the Government is already introducing a compulsory insurance system. UNCT will offer additional support to ensure greater availability of human resources and professional expertise, more equipment for Public Health Care centres in the regions, and a more efficient referral system. Ensuring social inclusion through investments in networks of public space and transform communities and change mind-sets through innovative community-led approaches will be catalytic in improving health and wellbeing. Indicators including SDGs 3.8.1, 3.8.2, 3.4.1, 3.7.1, 4.3.1,5.6.1 on reproductive health care have been chosen for this Outcome component.

Given the barriers marginalized groups may face in accessing frontline services or seeking remedy when they lose that access, Outcome 2.1 places additional stress on **judicial strengthening**. Intervention in this area will focus on enhancing the qualifications of public and social service providers, including development of a social workforce, to respond to the needs of these groups, including persons with disabilities. It will also promote policies on access to justice and legal aid for invisible communities such as asylum seekers. It will open new spaces where the grievances of conflict-impacted groups can also be addressed, and where civil society organizations can meaningfully engage with decision-makers at the national and local levels. If these interventions are completed, the foundations for transformed institutions will be laid, with increased accountability and transparency that will accelerate the attainment of SDGs. Indicators for this outcome include SDG 1.3.1,1.a.2, coverage of social protection, SDGs 16.6.2 and 16.7.2 regarding public perceptions/satisfaction and capacity building and 12.7.1 on sustainable public procurement policies. The Outcome impacts fostering innovation (SDG 9), reducing inequality within society (SDG 10) and building sustainable cities and communities (SDG 11).

Partnerships

To achieve this Outcome, the UNCT will work with key institutions in social and public services delivery. These include: Ministry of Education, Ministry of Health, State Agency for Mandatory Health Insurance, State Agency for Sustainable and Operational Social Security, TABIB, Ministry of Agriculture, Ministry of Economy, Ministry of Labour and Social Protection of the Population, Ministry of Youth and Sports, Ministry of Transport, Communications and High Technologies, Ministry of Justice, State Statistical Committee, State Committee for Refugees and IDPs, the Azerbaijani Community of Nagorno-Karabakh of the Republic of Azerbaijan, State Agency for Public Service and Social Innovations and the Ombudsperson's Office. Development partners, including USAID and the World Bank, will also be invited to support this Outcome with expertise in governance and institutional reform. Partnership will be extended to actors in the private sector to explore possible PPPs in the area of vocational training and preventive healthcare. Finally, non-governmental organizations will be invited to take the lead in setting up the dialogue agenda on public participation in decision-making and volunteerism for development, provide supplementary social services to vulnerable populations, as well as support to communities affected by conflict.

OUTCOME 2.2

By 2025, quality*, disaggregated and timely data is available and used to inform decision-making and policies that leave no one behind

(* up-to-date, accurate, collected and analyzed in line with internationally accepted methodology)

Theory of Change

The theory of change for Outcome 2.2 is predicated on the understanding that statistics provide an indispensable element in the information system of a society, serving the Government with data about the economic, demographic, social and environmental situation. The focus on the wellbeing and rights of vulnerable groups throughout the UNSDCF requires a dedicated effort to improve Azerbaijan's ability to situate them and make them more visible. All priority areas demand a greater process of generating disaggregated data beyond age, sex and origin, to include attributes such as disability, ethnicity, employment, income, and immigration status, among others. Supporting this process is identified as an area of particular value for the UN as a means of strengthening public policy for those left behind. It also responds to recommendations by Human Rights Mechanisms to better anchor development data around international human rights standards. In order for the Government to fulfil a heightened focus on the most vulnerable and marginalized, improving the sourcing and management of disaggregated data is fundamental. This is carried out using a variety of interventions, such as training state officials on results-based planning, promoting disaggregation in household surveys, supporting the setup of a national statistical plan, improving analysis and evidence-based planning, and strengthening population projections. This is, therefore, a cross-sectoral outcome that will support progress in all priority areas towards the 2030 Agenda. A primary indicator is SDG 17.18.1, proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target. The process of data generation, management and analysis will only inform policy if properly integrated into the formal decision-making processes. The second indicator identified for this outcome is, therefore, SDG 17.18.3, presence of a national statistical plan that is fully funded and under implementation, by source of funding.

Partnerships

The UNCT envisions strong cooperation with the State Statistics Committee in strengthening data collection and management systems, including the National Information Portal on the Sustainable Development Goals. This partnership will be founded on the principle of participation, encouraging state institutions to involve concerned populations groups in the collection of data concerning their situation. It will also promote accountability in the use of data, ensuring it feeds into national policies and is reported back to target populations. For this, the UNCT will engage other government actors such as the Ministry of Health, Ministry of Education, Ministry of Justice, Ministry of Agriculture, State Agency for Public Service and Social Innovations, State Agency for Sustainable and Operational Social Security, Ministry of Transport, Communications and High Technologies, Ministry of Economy, Ministry of Labor and Social Protection as well as the State Committee for Family, Child and Woman and State Committee for Women's Issues. Additional partnerships will be established with civil society and academic institutions to collect data at the level of local communities that supports government censuses and surveys.

PRIORITY AREA 3: PROTECTING THE ENVIRONMENT & ADDRESSING CLIMATE CHANGE

OUTCOME 3.1

By 2025, people including those left behind benefit from climate strategies and environment protection policies that ensure natural resources are sustainably managed, livelihoods are protected, and resilience strengthened.

Theory of Change

The Common Country Analysis found that environmental degradation has made some categories lag behind in the development process. For instance, people who engage in subsistence farming are especially exposed to reduced land productivity as a result of industrial pollution. They also lack the skill and access that allow them to cover their financial risk and sustain their livelihoods. Government, particularly the Ministry of Ecology and Natural Resources, are aware of these challenges and established state programmes and legislation to tackle them head-on; including the ratification and development of international treaties and national strategies. However, while in the current context green routes to recovery from COVID-19 are

encouraged, a gap remains in terms of the country's ability to ensure that economic reconstruction does not reproduce an environment-unfriendly model.

The theory of change asserts that, for people to be protected from the adverse impacts of environmental degradation and climate change, climate plans, agreements and protocols need to be effectively implemented, including Azerbaijan's commitment under the Paris Climate Agreement. The shift to a green economy entails developing climate modelling plans and climate change reporting mechanisms underpinned by SDG 13.2.1, "operationalization of an integrated climate strategy", as this outcome's primary indicator. This translates into a number of impactful actions, such as the setup of national plans assessing climate-solution technologies with a focus on those furthest behind, the shift to energy reduction solutions, adaptive strategies on land use, and the integration of vulnerability assessments and other evidence in environmental policies.

The UN will support the transition towards the circular economy, which carries a transformational potential to generate substantial economic and environmental benefits. Interventions will target key pillars of the circular economy, including preserving and extending the useful lifetime of goods, utilising waste streams as a source of secondary resources, accounting for the systems perspective during the design process, and tracking and optimising resource use. Thus, this Outcome area will help ensure that economic growth is decoupled from the consumption of finite resources. Investment in waste prevention, eco-design and re-use will help the country make significant savings while also decreasing annual greenhouse gas emissions, reducing pressure on the environment, and improving the security of the supply of raw materials. The transition to green growth will also increase the competitiveness of Azerbaijani firms, stimulate innovation and boost job creation.

In terms of climate mitigation and adaptation, UN advisory support will also be necessary for establishing a national green climate fund, a legal riparian water management agreement, and a national waste and wastewater management plan as well as technical assistance under five Multilateral Environmental Agreements²⁷. The country will be linked to the UN-Habitat's Cities and Climate Change Initiative (CCCI), and the global City Resilience Initiative which will help to mainstream the climate adaptation into national urban policy discussions. Local climate action will be promoted and implemented to extend energy efficiency in the area of housing/ building rehabilitation, neighbourhood upgrading (including embedding urban heritage in larger territorial settings) and upgrading of basic urban services while promoting nature-based solutions. Establishment of green and public spaces will offer innovative solutions to improve the quality of the built environment, air quality, ground water quality, enhance local resilience and promote sustainable lifestyles, consequently improving the health and well-being.

SDGs 6.4.1, 7.3.1 and 15.3.1 have been adopted as indicators to measure progress towards these ends. Establishing a national adaptation plan and reinforcing early warning systems will also be crucial to improve risk mitigation and management - measured through SDG 13.1.2, 13.1.3 and 13.2.1 - as will be the adoption and implementation of national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030. The Outcome impacts reducing inequality within society (SDG 10), good health and wellbeing (SDG 3), building sustainable cities and communities (SDG 11), fostering partnership for the Goals (SDG 17) and protecting life below water (SDG 14).

Partnerships

New regional partnerships will need to be established to improve regional cooperation in environmental protection and climate. Moreover, the theory change suggests that new conservation financing modalities are required (such as a national conservation fund, PES, etc.) which call for new partnerships between the Government, philanthropic sources, development finance partners and institutional investors.

²⁷ [Convention on Long-range Transboundary Air Pollution](#); [Convention on Environmental Impact Assessment in a Transboundary Context](#); [Convention on the Protection and Use of Transboundary Watercourses and International Lakes](#); [Convention on the Transboundary Effects of Industrial Accidents](#); [Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters](#)

Within Government, synergies between the sector roadmaps are necessary for a whole-of-government approach led by the Ministry of Ecology and Natural Resources, and including collaboration with the Ministry of Energy, Ministry of Economy, Ministry of Transport, Communications and High Technologies, Ministry of Agriculture, Ministry of Health, Ministry of Emergency Situations, Ministry of Finance, Ministry of Foreign Affairs and the State Agency on Alternative and Renewable Energy Sources among other entities including the National Coordination Council for Sustainable Development (NCCSD).

Other actors, including the private sector and civil society organizations, will be engaged to on corporate responsibility in climate action. The United Nations Economic Commission for Europe (UNECE) will also support cooperation objectives the exchange of best practices at the regional level.

PRIORITY AREA 4: A GENDER-EQUITABLE SOCIETY THAT EMPOWERS WOMEN AND GIRLS

Outcome 4.1

By 2025, women and girls, including those furthest behind, benefit from enhanced national mechanisms that ensure they are protected from discrimination and violence and empowered to participate in all spheres of life

Theory of Change

The Common Country Analysis singled out gender inequality as a sustainable development challenge because of the need to acknowledge and address the specific prejudice suffered by women that prevents their full participation in public and private life. Thus, the analysis recommended that gender inequality should not just be integrated into the UNSDCF's response to development challenges (for example, in the choice of indicators) but tackled with a dedicated result and vision of change.

The primary theory of change adopted here is that a conscious policy that counters discrimination and challenges stereotypes on gender roles is required for sustainable development outcomes to work for all. The policy should be directed at improving women's representation in the workforce, combating demeaning perceptions on their role in society, eliminating all forms of violence and harmful traditional practices against them, and building their senior management capacity in Government. Proposed actions to achieve this vision include a combination of costed action plans on gender equality, legislative changes, and advocacy initiatives to eliminate stigmatizing narratives on women in the education curricula and in professional life. Further efforts will also be undertaken to ensure that women and girls, especially those in marginalized communities and those impacted by conflict, acquire new skills empowering them to aspire to leadership positions in the economic and political spheres. The voices of women and girls will be used to improve the inclusivity of public policies and create a gender-sensitive policy shift, embodying the principle of leaving no one behind.

Selected indicators to monitor progress reflect the tripartite approach of transforming the role of women in society (SDG 5.3.1, SDG 5.2.1 and sex at birth ratio) and the political and private sphere (reflected in SDG 5.1.1, SDG 5.5.2, SDG 5.5.1, 5.a.1.) and presence of systems to track and make public allocations for gender equality and women's empowerment (SDG 5.c.1) In addition, working with authorities to improve the disaggregation of data will improve the evidence base, increasing effectiveness. The UN system will support gender-aware policy appraisals, including sex-disaggregated public expenditure analyses and beneficiary assessments of public service delivery. The Outcome impacts reducing inequality within society (SDG 10), good health and wellbeing (SDG 3), education (SDG 4) and peace, justice and strong institutions (SDG 17).

Partnerships

The United Nations System will foster more effective and sustainable partnerships with development partners to advance and monitor commitments to gender equality and women's empowerment, while also documenting good practices in achieving this outcome. Partnerships with Government, academic institutions, the private sector and civil society organizations are vital to the success of this outcome. Key government partners include

the State Committee for Family, Children and Family Affairs, State Statistical Committee, Ministry of Economy, Ministry of Labour and Social Protection of the Population, Ministry of Agriculture, Ministry of Health, Ministry of Youth and Sport and Ministry of Justice. International partnerships and linkups include ADB, USAID and the World Bank, as well as strong linkages with the private sector and civil society. For example, women business and sports leaders will be championed as brand ambassadors.

2.5. SYNERGIES BETWEEN COOPERATION FRAMEWORK OUTCOMES

The theory of change deliberately aims to enable interdependent changes across the outcome structure, reflecting the multi-sectoral planning and mainstreaming of issues that is expected of the UN system to deliver. Synergies between outcomes increase the catalytic effects of one action on another.

The framework provides for several institutional and policy synergies that allow different UN entities to work on all results regardless of mandate. At the institutional level, Outcomes and their respective Outputs were designed in a manner that reflects a multilateral approach, disaggregating performance indicators to a level that requires the involvement of most UNCT members for each result. Outcome formulations were also made consistent, focusing on achieving changes in the situation of people left behind across all priority areas. This will encourage UN entities and their partners to think of single actions that can help advance several results at once. Joint programmes and partnerships will allow these institutions to leverage their comparative advantages, aligning them around every outcome and making collective work necessary. At the policy level, the proposed *SDG Accelerator Pooled Fund* will not only promote policy coherence but serve all outcome areas. An adequate level of integration between joint partnerships, thematic collaboration and agency-specific work will also be ensured by the Annual Performance Review of UNSDCF implementation, which will remain crucial to enhancing the overall effectiveness of the UN System in Azerbaijan and its impact on the 2030 Agenda. The UNSDCF also complements and connects with other planning frameworks, such as the country reviews undertaken by the different UN Human Rights Mechanisms, including Treaty Bodies and the Human Rights Council.

Beyond in-country synergies, the UNSDCF will help advance regional cooperation frameworks, such as regional cooperation with riparian states over transboundary water usage, the Central Asia Regional Economic Cooperation (CAREC) Programme and the Transport Corridor Europe-Caucasus-Asia (TRACECA), all which could one day extend to embracing the Belt and Road Initiative of China (BRI) and also initiate possible joint projects with the regional organizations of which the Republic of Azerbaijan is a member

2.6. SUSTAINABILITY

To ensure positive sustainable change the development pathways identified under this Cooperation Framework stress a move towards building institutional capacities that are more effective (impactful) and efficient (value for money). In addition, the framework opens a space for new stakeholders to engage in the sustainable development trajectory of Azerbaijan, which will help ensure continued investment in the results and wider sharing and management of risks. The UNSDCF also uses structural solutions that will ensure its sustainability because they are fully engrained into key public policies, including the national budget formulation and execution process.

The implementation approach pursued in this Cooperation Framework differs from the UN-Azerbaijan Partnership Framework (UNAPF) (2016-2020). It discourages the delivery of separate programmes and rather targets the adoption of best practices that can be replicated and brought to scale. It also focuses on the achievement of durable solutions rather than quick fixes, looking into SDG accelerators that help deliver those solutions. Looking at the 2030 horizon, it will create enduring capacities both the at level of policymakers and rights-holders that will maintain Azerbaijan on track for the SDGs.

2.7. UNCT CONFIGURATION

The unanimous adoption of 2030 Agenda not only provides a common framework for state and non-state actors, but also reinforces the normative role of the UN system in acting on behalf of all rights holders, not just decision-makers. The UN system is the natural counterpart to the Government in supporting the attainment of SDG goals for the benefit of all. UN expertise in large-scale planning, collecting statistical data to support decisions and the integration of cross-cutting themes into programmes will be of great assistance to Government partners. Other fundamental characteristics of the UNCT is its convening authority, its standard-setting expertise, as well as technical strengths in policy advisory and advocacy. Both in-country entities and those based outside will play a catalytic role to help shape national planning and provide strategic guidance to the sustainable development agenda in Azerbaijan.

Given the growing importance of mobilizing private capital, the UNCT encourages new partnership arrangements to tackle gaps and overcome challenges using the skills, competencies and capacities of the private sector. The global shift towards the adoption of integrated national financing frameworks places the UNCT in a strategic position to support the Government in designing and implementing strategies that will realign and attract public and private SDG investments. In this context, UNCT will not only support financial intermediation between partners but also strengthen institutional capacities around more effective service delivery models and standard operating procedures. UNCT will also deploy common instruments and tools to improve country-level coherence, while also leveraging multiple sources of financing into the proposed SDG Accelerator Pooled Fund arrangements.

Finally, through the Resident Coordinator's Office, the UNCT will continue convening international development partners and actors in civil society and academia on a regular basis, which will help assess emerging trends and opportunities for Azerbaijan to benefit from international technical support in its efforts to meet the 2030 Agenda.

CHAPTER 3: COOPERATION FRAMEWORK IMPLEMENTATION PLAN

3.1. IMPLEMENTATION STRATEGY AND STRATEGIC PARTNERSHIPS

The UN reforms outlined in the General Assembly's Resolution 72/279 empower the Resident Coordinator to ensure greater efficiency of the work of the UNCT through the joint implementation of the UNSDCF. Efficiency demands a greater focus on increasing accountability of the RC and UNCT in implementing the UNSDCF in coordination and partnership with key stakeholders. Given the switch from funding to financing, part of the new way of working includes a focus on developing stronger and more accountable relations with all key implementation partners, including Government, legislative and judicial branches, committees and commissions, the private sector, civil society organizations, academia, development partners, and regional bodies. To guarantee alignment of UN entities' activities and results to that of UNSDCF, all UN country programmes and projects will be solely derived from the Outcomes of the results framework, with the Cooperation Framework being operationalized through Joint Work Plans developed in line with the UNSDCF.

In support of UNAPF (2016-2020) evaluation findings, guidance provided by government counterparts and partners, and in order to increase efficiency, the following broad principles are adopted for the UNSDCF:

- Maintain a strategic focus on human rights and leaving no one behind, improving the evidence base and better understanding the drivers of exclusion;
- Maintain an integrated planning approach at the Outcome and Output levels, with UN entities focused on areas of comparative advantage;
- Support government budget allocation toward scalable and impactful programmes and investments; streamlining communication and engagement with the private sector, the investment community, and civil society
- Based on comparative advantages, work to build capacities in policy-making, delivery and tracking results, as a continuous process across the life of the UNSDCF; and,
- Guarantee that national SDG targets and indicators become the default monitoring framework around which impacts can be measured and verified.

3.2. GOVERNANCE

Experience including with COVID-19 response has shown that coordination mechanisms are most effective when they fully engage Government and UN stakeholders both at the strategic and operational levels. Therefore, in addition to regular monitoring and evaluation, the UNSDCF will benefit from the political leadership and available technical expertise within the Government and the UN Country Team to ensure that all activities and results are on track. The convening role of the Ministry of Economy is key, as it will help bring together experts in different Government departments and their counterparts at the UN.

The primary vehicle for overseeing implementation will be the Joint Government-UN Steering Committee (JSC), under which Results Groups will be established as required. The Monitoring, Evaluation and Learning Group, the Operations Management Team (OMT), and the Communication Group will also act as key structures in the implementation of the UNSDCF. In addition to the Results Groups, the UNCT will establish thematic and operational groups to ensure UNCT programme and operation functions contribute to UNSDCF implementation.

The JSC will be co-chaired by the UN Resident Coordinator representing the UNCT and the Minister of Economy representing the Government of Azerbaijan. Terms of Reference that outline the responsibilities and membership of the JSC will be developed. As per the recommendations of the UNAPF evaluation, other stakeholders including representatives of vulnerable groups, will also be given due consideration for membership of the JSC to ensure accountability and transparency in the implementation of the Cooperation Framework.

Senior government officials at the level of Deputy Ministers and Heads of UN agencies will be appointed to co-chair the UNSDCF Result groups. National and UN agency leads per Outcome area will be determined by the Government and UNCT. Results Groups will convene meetings to discuss progress, challenges, opportunities and new learning, as well as how to adapt the implementation of joint work plans as identified in their TORs.

Given the ongoing fiscal and health crisis, the JSC co-chairs will adjust the UNSDCF as required, making sure it remains relevant and responsive to recovery plans. Moreover, the JSC will guarantee that its work is aligned with national development processes and mechanisms, particularly those monitoring progress toward the attainment of the 2030 Agenda. Close coordination with the National Coordination Council for Sustainable Development (NCCSD) will be ensured.

3.3. JOINT WORK PLANS

The UNSDCF will be operationalized through the development of Joint Work Plans (JWPs) that will present the planned programmatic sub-outputs and resource contributions of each UN development system entity to Cooperation Framework outputs, consistent with the Theory of Change. They can be either unique to an agency or shared by two or more UNCT members.

The Joint Work Plans will be discussed within and across Results Groups to ensure that gaps and overlaps, the potentials for synergy and joint programmes are identified and streamlined. The Joint Work Plans will be endorsed by the UNCT and the Joint National-UN Steering Committee. The endorsed Joint Work Plan will be the basis for the Annual Performance Review, which will feed directly into the preparation of the Annual UN country results report to the Government. All Joint Work Plans will be prepared online in UNINFO.

The UNSDCF recognises that operational challenges may emerge as the JWPs are set up and implemented. These may include delays in delivery, cumbersome administrative processes, or the possible misinterpretation of certain activities. To help anticipate and address those challenges, the Legal Annex (attachment #) emphasizes the necessity to ensure that all activities are delivered as a joint product of the United Nations, notwithstanding the differences in agency mandates. This will help reduce paperwork as well as the need for disparate coordination mechanisms.

3.4. OTHERS

Given the need to put in place innovative financing measures, consideration will be given to establishing an ***SDG Accelerator Pooled Fund***. The fund will allow UNSDCF interventions to tap into a capital stack that supports de-risking alongside more traditional forms of funding such as donor grants. Such a fund could be based on matching contributions from Government and international development partners. Other mechanisms will be considered, such as the launch of a public-private partnership platform and the deployment of impact assessments and panel surveys, allowing impacts to be attributed to efforts deployed under the UNSDCF.

Implementation of the UNSDCF will also be guided in consultation and with the support of the UN Youth Advisory Council to ensure programme activities are youth sensitive.

CHAPTER 4: MONITORING AND EVALUATION PLAN

4.1. MONITORING PLAN

Monitoring the UNSDCF is a core function of the UNCT to be undertaken in close collaboration with the Ministry of Economy, the State Statistics Committee, frontline service delivery ministries and partners. Tracking progress will be carried out using UNINFO. A costed multi-year monitoring and evaluation plan will be developed by the UNCT and submitted to the Joint Steering Committee (JSC) for endorsement. The Monitoring Plan will serve as a reference document for UNCT to plan activities that reflect the data needs of the UNSDCF Results Matrix.

The UNCT and the Government acknowledge that data scarcity affects setting clear baselines for many sectors, which were also highlighted by the CCA findings. Thus, UNCT started several initiatives to strengthen national data systems which will help set clear baselines and track progress toward UNSDCF results, but also provide sound and reliable data for Voluntary National Reviews and National Information Portal on SDGs. In this regard, a Joint Taskforce of the UNCT and the State Statistics Committee was formed in March 2020 to strengthen SDG Monitoring and Reporting. The Task Force conducted an in-depth assessment of existing mechanisms for SDG monitoring and developed a work plan to address capacity gaps identified in the assessment, including ways to address missing statistics and indicators concerning the situation of vulnerable groups and the potential to develop innovative data collection approaches. Cooperation will continue in the shape of an exchange of best practices, trends and lessons learned in line with the UNSDCF and the State Program on the Development of Official Statistics (2018-2025).

In addition, a national Multi-Indicator Cluster Survey (MICS) is to be rolled out in 2021, alongside the socio-economic impact assessment on COVID-19, which will provide key data points for monitoring the UNSDCF results and related SDG targets and indicators.

To facilitate a One UN system response, an interagency UN Monitoring and Evaluation Group (UN-MEG) and SDG Taskforce will provide technical support to UN Agencies to ensure the adoption of joint monitoring systems wherever possible. UN-MEG will jointly monitor and measure progress towards the attainment of SDG indicators. It will maintain close relations with the Ministry of Economy and the State Statistics Committee and benefit from secretariat support of the Resident Coordinator's Office.

4.1.1. RISKS AND OPPORTUNITIES

The 2020 macroeconomic, health and military crises act as a reminder that the attainment of national development goals can easily be delayed if resources are redirected to meet other objectives. The collapse in global oil prices places a considerable threat on government spending, as do continuing tensions with Armenia, and the COVID-19 pandemic may further contract growth and increase long-term health spending to the detriment of other priorities. In this context, macroeconomic volatility to external shocks has had a profound impact on the socioeconomic status of society, with a disproportionately negative impact on the informal economy, community resilience and social cohesion.

The conflict in and around the Nagorno-Karabakh region of the Republic of Azerbaijan will continue posing a significant challenge to development programming. The scope to resolve this challenge using this Cooperation Framework remains rather limited due to regional and inter-state dynamics beyond the capacities of the UNCT. However, the framework strengthens national capacities that will help mitigate the dire consequences of the conflict as well as increase the resilience of the population and of national and local institutions, especially in areas that are vulnerable to flare-ups.

The primary assumption of the UNSDCF is that the Government of Azerbaijan will continue to prioritize attainment of the 88 SDG targets despite these challenges, implying continuity in financing the social sectors and environmental and climatic protection. In this context, the main risk over the period 2021-2025 is that fiscal shocks and dedicating international assistance to combat socioeconomic and health impacts derail

progress in certain Outcomes. There is a contingent risk that over-dependence on a few donors and a more constrained pool of giving will further exacerbate the resourcing challenge.

At the same time, the recovery path offers considerable opportunity to accelerate reforms that have not been progressing and to modernize the service delivery framework. This assumes strong political will to build back better with an SDG mindset, as well as a risk mitigation strategy that put human rights at the centre, preserve democratic space, and meaningfully engage civil society in the Government response. At the policy and delivery level, this will involve considerable effort in adopting inclusive policies to strengthen the education and health systems. It will also suppose conscious decisions to use the recovery phase to bridge the rural and urban service delivery divide, redesign the national employment and social protection framework, as well as address imbalances preventing women from enjoying the same opportunities as men.

All of this speaks to the need to rapidly increase investments in human capital. Environmental challenges – many of which have their roots in regional practices – as well as negative impacts of the oil industry and industrialization can also undermine progress, with increased fragility and disaster risks.

4.1.2. COOPERATION FRAMEWORK REVIEW AND REPORTING

Each Result Group will conduct an **Annual Performance Review** with its stakeholders to discuss achievements, challenges, opportunities and lessons learned, ahead of the last Joint National-UN Steering Committee meeting. **UNINFO** reports will be the basis of the discussion. Based on this review and the evolving country context, the Results Groups will propose to the UNCT amendments to the Cooperation Framework and/or to the Joint Work Plan to ensure continued relevance and effectiveness of UN support to the country.

The JSC will meet once a year at the **Joint National-UN Steering Committee Annual Performance Review** in line with the national budget process and fiscal year, to provide strategic direction and oversight of execution and reflect on the results captured in the draft Annual UN Results Report. Should the COVID-19 emergency be prolonged, or new emergencies occur over the course of the period 2021-2025, additional research and policy advisory work can be commissioned by the JSC, in order to mitigate impacts that would affect the execution of the UNSDCF.

The results of all reviews will be made available to inform the Voluntary National Reviews and other relevant reporting and review exercises, including by Human Rights Mechanisms.

A high-quality **UN Country Results Report** will be developed that captures the full footprint of UN development Results (not activities) in support of the 2030 Agenda and will be submitted to the endorsement of the Joint National-UN Steering Committee.

4.2. EVALUATION PLAN

In 2024 an independent evaluation of the UNSDCF will be undertaken. An evaluation plan will be designed by the UN-MEG and submitted for validation and approval to the JSC. The evaluation will assess the status of planned UNSDCF results, and the extent to which made a significant contribution to national development processes, in particular in relation to making sure that no one is left behind. The independent evaluation will be based on the United Nations Evaluation Group's norms and standards, which also establish rules on the independence of the evaluators and quality criteria that the UNSDCF evaluation will have to meet. The evaluation will benefit from the lessons learned in the UNAPF (2016-2020) during the previous programming cycle. UNCT country program evaluations will be aligned to the same period as the UNSDCF evaluation in order to feed into that process. The RC and UN-MEG will guarantee that the sequence of evaluations, and learnings made across the programming cycle, are clearly documented. Working with the Government, it may also be possible to undertake an impact assessment in key sectors with the support of an independent control group. All evaluations will be carried out according to a schedule to agreed upon by the JSC, and they will engage national authorities to seek their input and findings.

ANNEX: THE AZERBAIJAN COOPERATION FRAMEWORK RESULTS MATRIX

Azerbaijan UNSDCF Results Framework 2021-2025					
IMPACT: People left behind in Azerbaijan’s sustainable development trajectory are empowered to realize their rights through adequate institutional support and increased resilience.					
<p align="center">PRIORITY AREA 1: INCLUSIVE GROWTH THAT REDUCES VULNERABILITY AND BUILDS RESILIENCE</p> <p align="center"><i>UN Lead: UNDP, ILO and FAO</i></p>					
<p>National development priorities: Economic diversification; Private sector development; Mitigating spatial disparities between regions; Strengthening agricultural service and extension outreach; Boosting human capital and skills development; Public Finance Management (PFM) reforms to improve state efficiency;</p> <p>Strategic Road Map on production and processing of agricultural products Strategic Road Map on production of consumer goods at small and medium-sized entrepreneurship level Strategic Road Map on development of vocational education and training Strategic Road Map on development of financial services</p> <p>State Program on socio-economic development of regions of the Republic of Azerbaijan for 2019-2023 State Program on Azerbaijani Youth in 2017-2021 State Program on the enhancement of international competitiveness of the higher education system in the Republic of Azerbaijan 2019-2023 State Program on development of agricultural cooperation in the Republic of Azerbaijan State Program on development production of citrus, wine, cocoon and silk, rice (2018-2025), tea (2018-2027), cotton (2017-2022), tobacco (2017-2021) in the Republic of Azerbaijan</p> <p>National Employment Strategy 2019-2030 Azerbaijani Youth Development Strategy 2015-2025</p> <p>Regional frameworks: Eastern Partnership (EaP), CAREC, TRACECA, SPECA</p> <p>SDGs and SDG targets: SDG 2 Zero Hunger: 2.3; 2.4 SDG 8 Decent Work and Economic Growth: 8.3 ;8.5; 8.6; 8.8; 8.10 SDG 9 Industry, Innovation and Infrastructure: 9.3</p>					
Results	Proposed performance indicators	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p>Outcome 1.1</p> <p>People furthest behind participate in and benefit from a diverse and innovative economy encompassing future-oriented labour market transformation and access to decent work</p>	<p>SDG 9.3.1 Proportion of small-scale industries (including MSMEs) in total industry value added</p> <p>*(prioritized, data available in the Portal)</p> <p>Share of micro, small and medium entrepreneurship</p>	<p>share of small enterprises - 0.9; together with micro and medium enterprises 6.5% (2018)</p> <p>13.4</p>	<p>tbd</p> <p>25%</p>	<p>SSC</p> <p>(custodian agency UNIDO)</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Political will to adopt national inclusive growth policies and execute - Strong engagement, collaboration and interest from the private sector - Government approves of the UN convened national PPD platform - Partners are willing and committed to supporting the UN system

<p>UN Agencies: FAO, ILO, IOM, UNDP, UNECE, UN Habitat, UNHCR, UNICEF, UNIDO, UNV, UN Women (+WB, USAID)</p> <p>UPR recommendations 140.30; 140.98; 141.87</p> <p>Treaty Bodies concl. observations:</p> <ul style="list-style-type: none"> • CESCR E/C.12/AZE/CO/3, paras 9, 10, 11 • CCPR/C/AZE/CO/4, para 15 C • CEDAW/C/AZE/CO/5, paras 30, 31 • CRPD/C/AZE/CO/1, paras 42, 43 • CMW/C/AZE/CO/2, para 8 <p>Partners: <i>Ministry of Economy, NCCSD, Ministry of Labor and Social Protection of the Population, Ministry of Agriculture, Ministry of Transport, Communications and High Technologies, Ministry of Finance, State Agency for Public Service and Social Innovations, Ministry of Foreign Affairs, Ministry of Youth and Sports, State Committee for Family, Women and Children's Affairs, State Committee for Refugees and IDPs and State Committee on Work with Diaspora, UNYAC, Private sector (tbd), CSOs (tbd), Innovation Labs</i></p>	<p>subjects in the economy of the country, %</p>		<p>(Source: Strategic Road Map on the production of consumer goods at the level of small and medium enterprises; Strategic Roadmaps, page 300. The targets in the document are for year 2030. Adjusted targets are proposed)</p>		<ul style="list-style-type: none"> - Policy continuity beyond the life of UN system support - The transition to digital economy and remote work modalities accelerate post-COVID19 - Increased space for participation of target groups especially the vulnerable - Diverse financing options are explored and set up - LNOB principles are upheld by the implementing partners - Expansion to districts are encouraged - Changing priorities are timely incorporated into the programming
	<p>SDG 8.6.1 Proportion of people of working age not in education, employment or training (disaggregated by sex and to reflect the situation of specific groups such as refugees)</p> <p>*(Not prioritised, data not available in the Portal)</p>	<p>Proportion of young people (15-24 years old) not in the labor market or education: 23 % (2017)</p>	<p>Proportion of young people (15-24 years old) not in the labor market or education -19% (adjusted) (Target is 15 % by 2030.)</p>	<p>Source: 2019-2030 Employment Strategy of the Republic of Azerbaijan</p> <p>(custodian agency ILO)</p>	
	<p>SDG. 8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation by sex and migrant status</p> <p>*(Not prioritised, data not available in the portal)</p>	<p>tbd</p>	<p>tbd</p>	<p>(custodian agency ILO)</p>	
	<p>SDG 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities</p> <p>*(Prioritized, data available in the portal, however not disaggregated)</p>	<p>3.5 manat (2018)</p> <p>(National Information on SDGs)</p>	<p>5 manat (adjusted)</p> <p>Double labor productivity by 2030 (source: National Employment Strategy)</p>	<p>National Information on SDGs (custodian agency ILO)</p>	

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Output statement	Indicator Statement	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p>Output 1.1.1:</p> <p><i>MSMEs and social enterprises, including women-owned businesses, are set up and sustained for the benefit of the furthest behind</i></p> <p>(UN Women, UNDP, UNIDO, ILO, FAO, UNECE, UN-Habitat, IOM)</p>	<p>a) Number of MSMEs and social enterprises operating in lower income communities</p> <p>b) Number of people (disaggregated by sex) with adequate knowledge and resources to set up MSMEs</p> <p>c) Increase in public budget for programs supporting MSMEs, including access to finance, markets, technology, and entrepreneurship skills</p> <p><i>*An indicator could also be included to measure the gender-responsiveness of these budget (with a % breakdown for programmes targeting women)</i></p>				
<p>Output 1.1.2:</p> <p><i>Enhanced human capital and a skilled workforce are available in key sectors</i></p> <p>(UNICEF, UNDP, UNIDO, FAO, UNV)</p>	<p>a) Number of - education facilities that offer knowledge and skills matching labour market needs (to be tracked with a sub-indicator measuring the % employability after graduating these education facilities)</p> <p>b) Number of persons who receive tailored support for employment in the formal labour market (disag. by youth, women, PwD, refugees)</p> <p>c) Number of employees by sector participating in retraining programs, developing new skills,</p>				

	<p>upgrading or updating skills (disaggregated by sex)</p> <p>d) Number of persons disaggregated by gender and age, who improved their skills and/or benefited from community development through volunteerism</p>				
<p>Output 1.1.3:</p> <p><i>International standards* regarding decent work, inclusion and the future of work are mainstreamed in policy and in practice</i></p> <p><i>(*including ILO, HR, and other global standards on access and the existence of an enabling environment)</i></p> <p>(UNHCR, UNDP, UNIDO, ILO)</p>	<p>a) Number of policies and actions adjusted to international standards that support the right to work for vulnerable groups (disaggregated by sex, refugees, PwD)</p> <p>b) Number of legal, regulatory and administrative procedures adapted or established for promoting MSME</p>				
<p>Output 1.1.4:</p> <p><i>Rural populations are able to diversify their income sources, and sustainably improve their livelihoods</i></p> <p>(UNDP, ILO, FAO, UN-Habitat, UNV)</p> <p>UPR recommendations 140.94; 140.97</p>	<p>a) Proportion of farmers with multiple sources of income (disag. by sex)</p> <p>b) 2.4.1 Proportion of agricultural area used for productive and sustainable farming</p> <p>c) Income level of rural households</p> <p>2.3.2 Average income of small-scale food producers, by sex and economic zones</p> <p>*(not prioritized, data not available in the portal)</p>			(custodian agency FAO)	

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PRIORITY AREA 2: STRONGER INSTITUTIONS FOR BETTER PUBLIC AND SOCIAL SERVICES DELIVERY					
<i>UN Lead: UNICEF, UNFPA, WHO, UNDP</i>					
<p>National development priorities: Strengthening early childhood and primary education, and technical and vocational education; Strengthening primary health care provision and preventive care; Strengthening the justice system; Modernization and digitization of critical services; Mitigating spatial disparities between regions; Combating gender and social exclusion; Strong integration of the SDGs as key sector performance indicators linked to the budget; Strengthening evidence-based government through development of national statistics.</p> <p>State Program on socio-economic development of regions of the Republic of Azerbaijan for 2019-2023 State Program on the enhancement of international competitiveness of the higher education system in the Republic of Azerbaijan 2019-2023 State Program on Development of Inclusive Education for Persons with Disabilities in the Republic of Azerbaijan 2018-2024 State Program on Development of the Official Statistics in the Republic of Azerbaijan in 2018-2025 State Program on development of Azerbaijani justice 2019-2023 State Program on Mandatory Preventive Medical Examination of Children 2018-2022 State Program on ensuring of food safety in the Republic of Azerbaijan 2019-2025</p> <p>Azerbaijani Youth Development Strategy 2015-2025 Strategy on development of civil service in the Republic of Azerbaijan 2019-2025 Strategy of the Republic of Azerbaijan on Children 2020-2030 National Action Plan to promote Open Government Strategic Roadmap for the Development of Telecommunication and Information Technologies in the Republic of Azerbaijan</p> <p>Regional frameworks: Eastern Partnership (EaP), International Comparison Program CIS, Partnership for Good Governance</p> <p>SDGs and SDG targets: SDG 1 No Poverty: 1.3; 1.a SDG 3 Good Health and Wellbeing: 3.4; 3.7; 3.8 SDG 4 Quality Education: 4.3 SDG 5 Gender Equality: 5.6; SDG 9 Industry, Innovation and Infrastructure: 9.c SDG 12 Responsible Consumption and Production: 12.7 SDG 16 Peace, Justice and Strong Institutions: 16.6; 16.7 SDG 17 Partnerships for the Goals: 17.18</p>					
Outcome statement	Proposed indicators	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement

<p>Outcome 2.1</p> <p>People furthest behind benefit from enhanced national capacities and governance structures for social protection and quality public and social services, in line with Azerbaijan's international commitments*</p> <p>(*including Human Rights and ILO standards)</p> <p>FAO, ILO, IOM, OHCHR, UNDP, UNFPA, UN Habitat, UNHCR, UNICEF, UNODC, UNOPS, UNV, WHO UPR recommendations 140.79; 140.80; 140.82; 140.89; 140.90; 140.93</p> <p>Treaty Bodies concl. observations:</p> <ul style="list-style-type: none"> • CESCR E/C.12/AZE/CO/3, paras 11, 13, 14 • CEDAW/C/AZE/CO/5, para 39 (c) • CRPD/C/AZE/CO/1, paras 33, 35 • CRC/C/AZE/CO/3-4, paras 17, 18, 20, 39, 53 • CMW/C/AZE/CO/2, paras 19, 26, 27, 43 <p>Partners: Ministry of Education, Ministry of Health, NCCSD, Ministry of Labor and Social Protection of the</p>	<p>Gross enrolment ratio in pre-primary education (3-5 years old), by sex</p> <p>Baseline Total: 39.71%; Boys: 39.90%; Girls: 39.49% (2018)</p>	<p>Target: 50% (2025)</p>	<p>UNICEF</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Political will exists to reform and improve public services - Anti-corruption efforts are expedited - Economic downturn following the COVID-19 pandemic is successfully mitigated - Resilience to natural disasters and human-made crises including regional dynamics and the conflict in and around the Nagorno Karabakh region of the Azerbaijani Republic - Private sector and civil society are more closely engaged in public policies - School based management system approved and piloted by government - Partners are willing and committed to support the UN system - Policy continuity beyond the life of UN system support - Increased space for participation of target groups especially the vulnerable - Diverse financing options are explored and set up - LNOB principles are upheld by implementing partners - Expansion to districts is encouraged - Changing priorities are incorporated into the programming cycle in a timely fashion 	
	<p>SDG 4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, disaggregated to include e.g. girls, children refugees</p> <p>(* Prioritized, data is planned to be collected)</p>	<p>tbd</p>	<p>tbd</p>		<p>National Information on SDGs (Custodian agency UNESCO-UIS)</p>
	<p>SDG 3.8.1 Coverage of essential health services among the general and the most disadvantaged population, disaggregated by women (pregnant, rural), children, newborn elders, IDPs, rural population</p> <p>(*Prioritized, data not available in the portal)</p>	<p>tbd</p>	<p>tbd</p>		<p>WHO</p>
	<p>SDG 3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income</p> <p>(* Prioritized, data is planned to be collected)</p>	<p>tbd</p>	<p>tbd</p>		<p>WHO</p>
	<p>SDG 3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease</p> <p>(*Prioritized, data available in the portal)</p>	<p>466.3 (per 100000) (2018)</p>	<p>350 (Applying OECD reduction target, the proposed target is 350)</p>		<p>National Information on SDGs (Custodian agency WHO)</p>
	<p>SDG 3.7.1 Proportion of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods</p>	<p>13-14% (modern methods) (2006,2011) 45-47% (use of contraceptive)(SSC)</p>	<p>25-27% 60-65%</p>		<p>Baseline: Demographic and Health Survey (2006 (Macro International),2011 (ISIM))</p>

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<p><i>Population, State Agency of Mandatory Health Insurance, Ombudsperson Office, State Agency for Public Service and Social Innovations, State Agency for Sustainable and Operational Social Security, Ministry of Transport, Communications and High Technologies, Ministry of Finance, Ministry of Foreign Affairs, Ministry of Youth and Sports, State Committee for Family, Women and Children's Affairs, State Committee for Refugees and IDPs, Azerbaijani Bar Association, UNYAC, Private sector (tbd), CSOs (tbd)</i></p>	<p>(Not prioritized, data not available on portal)</p>			<p>(Custodian agency DESA-PopDiv)</p>
	<p>SDG 5.6.1 Proportion of women aged 15-49 years who make their own informed decisions regarding sexual relations, contraceptive use and reproductive health care</p> <p>(prioritized, data is planned to be collected)</p>	<p><u>Baseline is expected from MICS in 2021.</u></p>	tbd	<p>(Custodian agency UNFPA)</p>
	<p>Prevalence of anemia in women of reproductive age</p>	<p>38.5 % (2016) <u>Source CCA</u></p>	tbd	<p>UNICEF</p>
	<p>SDG 1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable</p> <p>(Prioritised, data available in the portal)</p>	<p>5.56 (the share of Unemployed persons receiving unemployment benefit as a proportion of total number of unemployed persons) 2018</p>	10 (tbd)	<p>National Information on SDGs (Custodian agency UNFPA)</p>
	<p>SDG 1.a.2 Proportion of total government spending on essential services (education, health, employment and social protection services)</p> <p>(Prioritised, data available in the portal)</p>	<p>21.23 % (2018)</p>	30%	<p>National Information on SDGs (Custodian agency UNESCO-UIS)</p>
	<p>SDG 16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group</p> <p>(Not prioritised, data not available)</p>	<p><u>tbd</u></p>	<p><u>tbd</u></p>	<p>(Custodian agency UNDP)</p>

	SDG 16.6.2 Proportion of population (disaggregated by sex, age, disability) who is satisfied with their last experience of public services (Not prioritised, data not available)	tbd	tbd	(Custodian agency UNDP)	
Output statement	Indicator Statement	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p><i>Output 2.1.1:</i></p> <p><i>The national education system is strengthened to ensure inclusive access to quality education and training.</i></p> <p>(OHCHR, UNICEF, UNFPA, UNHCR, UNDP, UNODC, ILO)</p> <p>UPR recommendations 140.40; 140.45; 140.106; 140.107; 140.138; 140.144; 140.152; 141.91; 141.93; 141.100</p> <p>Treaty Bodies concl. observations:</p> <ul style="list-style-type: none"> • CESC E/C.12/AZE/CO/3, paras 17, 23 • CEDAW/C/AZE/CO/5, paras 13 B, C, 29 • CRPD/C/AZE/CO/1, paras 33, 35, 40, 41 	<p>a) Number of educational institutions that offer inclusive education and training</p> <p>Suggestion: Country shows improvements in reading literacy (B) 472 (2016) (T) 500 (2025)</p> <p>Source: National assessment reports, Progress in International Reading Literacy Study reports</p> <p>b) Scope and quality of national teacher professional development - score (1-4)</p> <p>c) Number of vocational education and training centres modernized to render quality education for those who seek to acquire relevant skills (including technical and vocational skills) for employment, decent jobs, and entrepreneurship</p>			<p>Source: National assessment reports, Progress in International Reading Literacy Study reports</p>	

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<ul style="list-style-type: none"> • CRC/C/AZE/CO/3-4, paras 37, 56 E, 57 F, 64, 65 • CMW/C/AZE/CO/2, paras 32, 33 					
<p>Output 2.1.2:</p> <p><i>National primary health care and nutrition systems are strengthened to ensure universal coverage and quality, inclusive and high-impact interventions.</i></p> <p>(UNICEF, UNFPA, UNHCR, UNDP, UNODC, UNOPS, WHO)</p> <p>UPR recommendations 140.89; 140.99; 140.100; 140.101; 140.102; 140.103; 140.104; 140.105; 140.131</p> <p>Treaty Bodies concl. observations:</p> <ul style="list-style-type: none"> • CESCR E/C.12/AZE/CO/3, paras 9, 16 • CRC/C/AZE/CO/3-4, paras 58, 59, 60, 61 B, 63 • CEDAW/C/AZE/CO/5, paras 32, 33 • CRPD/C/AZE/CO/1, paras 17, 18, 19 • CMW/C/AZE/CO/2, para 37 	<p>a) National NCD Strategy (or costed Action Plan -including nutrition action plan targeting stunting and anemia) developed and implemented</p> <p>b) Increase in the number of family doctors and home visits as part of the primary health care system</p> <p>c) Existence of monitoring and quality assurance services for health care service delivery</p> <p>d) Reproductive health counselling and services are incorporated in the Primary Health Care system (Baseline: no; Target: yes)</p> <p>e) A national IPC strategy or action plan developed and implemented.</p> <p>f) A national model for PHC in Azerbaijan developed and tested based on national pilot projects.</p> <p>g) Number and types of essential medicines procured to strengthen the national healthcare procurement system and improve the treatment of tuberculosis (TB) and HIV/AIDS patient as well</p>				

	procurement of PPE for COVID-19 outbreak response				
	SDG 12.7.1 Degree of sustainable public procurement policies and action plan implementation				
<p>Output 2.1.3: <i>Providers of public and social protection services have improved capacity to target the most vulnerable groups with quality, effective and innovative solutions</i></p> <p>(UNFPA, UNICEF, UNDP, UNODC, ILO, FAO, UN-Habitat)</p> <p>UPR recommendations 140.18; 140.29</p> <p>Treaty Bodies concl. observations:</p> <ul style="list-style-type: none"> • CESCR E/C.12/AZE/CO/3, para 5 • CEDAW/C/AZE/CO/5, paras 23 C, D; 37 • CRPD/C/AZE/CO/1, paras 9, 21, 33 • CRC/C/AZE/CO/3-4, paras 12, 52, 53, 54, 55 • CMW/C/AZE/CO/2, paras 41, 42 	<p>a) Number of public and social service providers who are qualified to address the needs of vulnerable groups</p> <p>b) National social service strategy and system developed and implemented.</p> <p>c) Social model, functionality definition and other principles of the CRPD are applied in national policy and strategies in supporting people with disabilities (<i>need to be explained in the M&E narrative</i>)</p> <p>d) Number of social workers per 100,000 population</p>				
<p>Output 2.1.4</p> <p><i>National policies and mechanisms are strengthened to promote and protect human rights, increase access to justice and participatory mechanisms, and sustain social cohesion.</i></p>	<p>a) Number of persons seeking to address their alleged human rights or labour rights violations who successfully had access to justice (disaggregated by sex and to include e.g. access to asylum system; access to child justice system)</p>				

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<p>(OHCHR, UNICEF, UNHCR, UNDP, UNODC, ILO, UN-Habitat, WHO)</p> <p>UPR recommendations 140.1; 140.2; 140.4; 140.5; 140.6; 140.13; 140.17; 140.23; 140.24; 140.26; 140.36; 140.39; 140.42; 140.43; 140.44; 140.69; 140.70; 140.72; 140.73; 140.88; 141.25; 141.50;</p> <p>Treaty Bodies concl. Observations</p> <ul style="list-style-type: none"> • CESCO E/C.12/AZE/CO/3, paras 5, 20, 22, 27 • CCPR/C/AZE/CO/4, paras 5, 9, 11, 12, 25, 27, 29, 31, 33, 37, 39, 41 • CEDAW/C/AZE/CO/5, paras 7, 9, 11, 16, 23 • CRPD/C/AZE/CO/1, paras 9, 13, 26, 27, 29, 31, 37, 39, 45 • CRC/C/AZE/CO/3-4, paras 8, 10, 12, 14, 16, 33, 39, 46, 48, 49, 55, 57, 67, 70, 72, 76, 77 • CMW/C/AZE/CO/2, paras 9, 13, 17, 20, 21, 22, 23, 27, 28, 29, 35, 39, 45 • CAT/C/AZE/CO/4, paras 9, 11, 13, 15, 17, 21, 23, 25, 27, 33, 35, 37, 39, 41 • CERD/C/AZE/CO/7-9, paras 6, 8, 12, 20, 22, 26, 28 	<p>b) Number of practicing lawyers per capita (especially in the regions of the country) and efficient public institutions (mechanisms) delivering free legal aid</p> <p>c) Number of national policies to promote human rights and labour rights, engagement of civil society and gender equality in compliance with international human rights standards.</p> <p>d) Number of national policies to implement UN normative framework on peace and security</p> <p>e) Number of targeted initiatives to promote inclusive dialogue and support for conflict-affected communities, including with a focus on gender</p> <p>f) Number of civil society organisations who receive capacity building on engagement in public policy making, local development and confidence building</p>				
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<p>Output 2.1.5.</p> <p><i>Institutional capacities are enhanced to effectively develop and implement governance programmes, public service delivery, youth engagement and modernization of services to bridge the digital divide</i></p>	<p>a) Number of mechanisms and policies applied to improve access to information and communications technology and e-government services.</p> <p>report under 2.1.1</p>				
Outcome statement	Proposed indicators	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p>Outcome 2.2</p> <p>Quality*, disaggregated and timely data is available and used to inform decision-making and policies that leave no one behind</p> <p>(* up-to-date, accurate, collected and analyzed in line with internationally accepted methodology)</p> <p>FAO, ILO, IOM, UNDP, UNDRR, UNECE, UNFPA, UN Habitat, UNHCR, UNICEF, UNODC, UNV, WHO</p> <p><i>Partners: State Statistics Committee, NCCSD, State Agency for Public Service and Social Innovations, State Agency for Sustainable and Operational Social Security, Ministry of Transport, Communications and High Technologies, Ministry of Finance, Private sector (tbd), CSOs (tbd),</i></p>	<p>SDG 17.18.1 Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the Fundamental Principles of Official Statistics</p> <p>(Not prioritised, data not available in the portal)</p>	<p>34.8 % of the Global Indicators, 56% of prioritized indicators are available</p> <p>(Source Assessment of SDG Monitoring and Reporting Mechanisms in Azerbaijan)</p>	<p>60% (tbd)</p>	<p>National Information on SDGs</p>	<p>-Political will is in place to improve the state of SDG statistics with the focus on vulnerable and marginalized groups</p> <p>-The vitality of data for policy making is acknowledged</p> <p>-Partners are willing and committed to supporting the UN system</p> <p>-Private sector and civil society are more closely engaged</p> <p>-Increased transparency in data communication</p> <p>-Aspiration to test innovative and high-tech solutions</p> <p>-Partnerships with non-traditional actors is encouraged</p>
	<p>SDG 17.18.3 Presence of a national statistical plan that is fully funded and under implementation, by source of funding</p> <p>(prioritised, data available in the portal)</p>	<p>0</p> <p>There is a State Program on Development of the Official Statistics in the Republic of Azerbaijan in 2018-2025, however not budgeted</p>	<p>1</p>	<p>National Information on SDGs (Custodian agency PARIS21)</p>	

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<i>Think tanks, Research Institutions, Universities, Innovation Labs</i>					
Output statement	Indicator Statement	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p>Output 2.2.1:</p> <p><i>Institutional capacities are strengthened to improve monitoring and reporting on the SDGs and on furthest behind persons</i></p> <p>(UNFPA, UNICEF, UNHCR, UNDP, UNODC, ILO, FAO, UNDRR, UNECE, UN-Habitat, UNV, WHO, IOM)</p>	<p>a) Number of state officials trained on methodologies for collecting and reporting data on SDG indicators through UN support</p> <p>b) Existence of a less than 5 years old household survey providing data by gender, wealth, location, ethnic group and location on both access and learning</p> <p>c) Increase in the availability of data and indicators regarding people furthest behind in national SDG reports (disaggregated by age, sex, refugee status, level of education)</p>				
<p>Output 2.2.2:</p> <p><i>National capacities are enhanced to generate evidence-based policies and decisions</i></p> <p>(UNDP, ILO, FAO, UNICEF, UNDRR)</p>	<p>a) Draft costed national statistical plan prepared with UN support</p> <p>b) Number of joint UN-Government research initiatives conducted to inform policies and decisions</p> <p>c) Availability of population projections at national and subnational levels (disaggregated by age, sex and location) to analyse correlations between demographic changes</p>				

	and socio-economic development processes				
	d) Number of government officials with improved knowledge and capacity on result-based planning and budgeting with UN support				
PRIORITY AREA 3: PROTECTING THE ENVIRONMENT & ADDRESSING CLIMATE CHANGE					
UN Lead: FAO, UNDP					
<p>National development priorities: Regional and global economic integration; Mitigating spatial disparities between regions; Improved water resource, environmental protection and climate adaptation and mitigation; Public Finance Management (PFM) reforms to improve state efficiency;</p> <p>Strategic Roadmap on production and processing of agricultural products Strategic Roadmap on development of utility services (electricity and thermal energy, water and gas) State Program on geological study of subsurface and the effective use of the mineral resource base 2020-2024 National Strategy on the improvement of solid domestic waste management in the Republic of Azerbaijan 2018-2022 State Program on the Social and Economic Development of Regions – 2019-2023 Action Plan for Ensuring the Effective Use of Water Resources in 2020-2022</p> <p>Regional frameworks: Eastern Partnership (EaP), EUWI+ programme</p> <p>SDGs and SDG targets: SDG 6 Clean Water and Sanitation: 6.4 SDG 7 Affordable and Clean Energy: 7.3 SDG 13 Climate Action: 13.1; 13.2 SDG 15 Life on Land: 15.3</p>					
Outcome statement	Proposed indicators	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<u>Outcome 3.1:</u> People including those left behind benefit from climate strategies	SDG 13.2.1 Azerbaijan has communicated the establishment or operationalization of an integrated policy/strategy/plan which increases its ability to	0	1	Source: MENR Custodian agency UNFCCC	-Government is responsive to the adoption of new conservation financing modalities -Civil society/academia active in environmental protection;

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<p>and environment protection policies that ensure natural resources are sustainably managed, livelihoods are protected, and resilience strengthened</p> <p>FAO, IOM, UNDP, UNDRR, UNECE, UN Habitat, UNIDO, WHO</p> <p>UPR recommendation 140.8</p> <p>Partners: <i>Ministry of Ecology and Natural Resources, Ministry of Energy, Ministry of Economy, NCCSD, Ministry of Transport, Communications and High Technologies, Ministry of Agriculture, Ministry of Health, Ministry of the Internal Affairs, Ministry of Emergencies, Ministry of Foreign Affairs, Academia of Sciences, UNYAC, Private sector (tbd), CSOs (tbd)</i></p>	<p>adapt to the adverse impacts of climate change, and foster climate resilience</p> <p>(Not prioritized, data collection is planned for portal)</p>				<p>-Government is committed and reports under the international agreements;</p> <p>-Benefits to green economy and increased revenues in the long term is acknowledged</p> <p>-Regional political interests are reconciled;</p> <p>-Regional states agree to participate in and contribute towards regional cooperation in the environment space</p>
	<p>SDG 15.3.1 Proportion of land that is degraded over total land area</p> <p>(Prioritised, Not available in the portal)</p>	tbd	tbd	Custodian agency UNCCD	
	<p>SDG 6.4.1 Change in water-use efficiency over time</p> <p>(Not prioritised, available in the portal)</p>	4.85 usd/cubic meter	6 usd/cubic meters	National Information on SDGs /MENR Custodian agency FAO	
	<p>SDG 7.3.1 Investment in energy efficiency as a proportion of GDP</p> <p>(prioritized, data available in the portal)</p>	524.r kg/1000 manat (2018)	tbd	National Information on SDGs Custodian agency es IEA DESA-UNSD	
	<p>SDG 13.1.2: Azerbaijan has adopted and implemented national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030</p> <p>(Not prioritized, data not available in the portal)</p>	0 (in progress)	1	Ministry of Emergencies Custodian agency UNDRR	
	<p>SDG 13.1.3: Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies</p> <p>(Not prioritized, data not available in the portal)</p>	tbd	tbd	Custodian agency UNDRR	

	An INFF coordinated structure established with the Government and development partners, private sector to operationalize future SDG-aligned policies including on Green strategy.	No	Yes		
Output statement	Indicator Statement	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p><i>Output 3.1.1:</i></p> <p><i>Institutional capacities to plan, track and report on climate change, and to access climate finance and technologies, are strengthened</i></p> <p>(UNDP, UNIDO, FAO, UNECE, UN-Habitat, WHO, UNDRR)+ international environmental funds (e.g., GEF and GCF)</p>	<p>a) Number of gender-responsive national reports/plans produced to track climate change (including mitigation and finance) and assess the climate-solution technologies, with focus on furthest behind</p> <p>b) Amount of national and international finance in USD mobilized for climate change-related planning and action</p> <p>c) Increase in technology mobilized for climate change-related planning and action</p>				Climate and environmental financing will increase significantly
<p><i>Output 3.1.2:</i></p> <p><i>Adaptive policies on land use, integration to the tourism value chain and water management are set up to enhance the resilience of vulnerable communities</i></p> <p>(UNDP, ILO, FAO, UNICEF, UNDRR)</p> <p>UPR recommendation 140.97</p>	<p>a) Proportion of communities vulnerable to land degradation who have been covered by adaptation policies</p> <p>b) Proportion of communities vulnerable to water stress who have been covered by adaptation policies</p> <p>c) Number of hectares of rehabilitated pasture areas</p> <p>d) Proportion of protected areas, forests and lands under sustainable management with improved climate resilience</p>				

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	<p>Number of communities involved in the tourism value chain along the tourist route</p> <p>"Number of protected "nomadic routes"</p>				
<p>Output 3.1.3:</p> <p><i>Energy policies and solutions reduce emissions and save energy</i></p> <p>(UNDP, FAO, UNECE, UN-Habitat, IOM)</p>	<p>a) Number of energy saving solution applications that are gender-responsive and integrate LNOB principle</p> <p>b) Square meters covered by the energy management information system</p> <p>c) Share of population who benefited from improved coverage by cost-efficient and sustainable energy in the public sector, disaggregated by sex.</p>				
<p>Output 3.1.4:</p> <p><i>Evidence-based policies, mechanisms and practices are adopted to reduce environmental hazards and pollution in urban and rural areas</i></p> <p>UNDP, FAO, UNECE, UN-Habitat, WHO</p>	<p>a) Proportion of policies and practices that integrate evidence on the impact of environmental hazards on all population including vulnerable communities (disag. By sex and by rural/urban)</p> <p>b) Proportion of policies and practices that integrate evidence on the impact of pollution on vulnerable communities (disag. by sex, age and rural/urban)</p>				
<p>PRIORITY AREA 4: A GENDER-EQUITABLE SOCIETY THAT EMPOWERS WOMEN AND GIRLS</p> <p><i>UN Lead: UN Women, UNFPA</i></p>					
<p>National development priorities: Combating gender and social exclusion; Mitigating spatial disparities between regions; Strengthening the justice system; Boosting human capital and skills development; Public Finance Management (PFM) reforms to improve state efficiency;</p> <p>State Program Azerbaijani youth in 2017-2021 Employment Strategy of the Republic of Azerbaijan 2019-2030</p>					

Regional frameworks: Eastern Partnership (EaP) , Partnership for Good Governance					
SDGs and SDG targets: SDG 3 Good Health and Wellbeing: 3.7 SDG 5 Gender Equality: 5.1, 5.2,5.3, 5.5,5.a 5.c SDG 8 Decent Work and Economic Growth: 8.5					
Outcome statement	Proposed indicators	Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p>Outcome 4.1:</p> <p>Women and girls, including those furthest behind, benefit from enhanced national mechanisms that ensure they are protected from discrimination and violence and empowered to participate in all spheres of life</p> <p>(FAO, ILO, OHCHR, UNDP, UNFPA, UN Habitat, UNHCR, UNICEF, UNODC, WHO)</p> <p>UPR recommendations 140.19; 140.20; 140.37; 140.38; 140.51; 140.53; 140.56; 140.57; 140.65; 140.105; 140.109; 140.110; 140.113; 140.114; 140.116; 140.118; 140.120; 140.121; 140.123; 140.124; 140.127; 140.129; 141.88</p> <p>Treaty Bodies concl. observations</p> <ul style="list-style-type: none"> • CCPR/C/AZE/CO/4, paras 15, 16 • CEDAW/C/AZE/CO/5, paras 8, 13, 15, 19, 23, 25, 27, 31, 35, 39 	<p>SDG 5.c.1 Presence of systems to track and make public allocations for gender equality and women’s empowerment (gender-based budgeting)</p> <p>(prioritized, data not available in the portal)</p>	<p><u>SCFWCA started working on this together with partners.</u></p>	<p>Yes</p>	<p>Custodian agencies UN Women, UNDP, OECD</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Political appointments depend on political leadership and civil service interests - Gender-responsive budgeting is embraced by the Ministry of Finance and key Sector Ministries - Authorities agree on a UN-sponsored National Gender Platform as part of the Public Policy Dialogue
	<p>SDG 5.1.1 Availability of legal frameworks that promote, enforce and monitor equality and non-discrimination on the basis of sex (including legal framework on women’s equal right to ownership of land)</p> <p>(prioritized, data available in the portal)</p>	<p>Yes (National Information on SDGs)</p>	<p>Yes</p> <p>(Consider tracking the enforcement of these legal frameworks in practice.)</p>	<p>Custodian agencies UN Women, World Bank, OECD</p>	
	<p>b) Percentage of CEDAW Committee Concluding Observations (2020) and relevant comments of the ILO Supervisory Bodies implemented</p>	<p>tbd</p>	<p>tbd</p>	<p>UNFPA, ILO</p>	
	<p>SDG 5.2.1. Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age (disaggregated by e.g. refugee status)</p>	<p>712 crimes registered on violence toward women by an intimate partner (sept 2019-sept 2020) 1% or 5 of these offenses are sexual violence, 99% or 707 is physical violence.</p>	<p>Number of crimes related to the violence toward women by intimate partners to decrease by 30%</p>	<p>Custodian agency: Source on intimate partners: Ministry of Internal Affairs Source on domestic violence: Prosecutors Office</p>	

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<ul style="list-style-type: none"> • CЕСCR E/C.12/AZE/CO/3, paras 10, 18, 19 • CRPD/C/AZE/CO/1, paras 16, 17 • CRC/C/AZE/CO/3-4, para 31 • CAT/C/AZE/CO/4, para <p><i>Partners: State Committee for Family, Women and Children’s Affairs, Ministry of Education, Ministry of Health, NCCSD, Ministry of Economy, Ministry of Labor and Social Protection of the Population, Ministry of Foreign Affairs, Ombudsperson Office, State Agency for Public Service and Social Innovations, State Agency for Sustainable and Operational Social Security, Ministry of Finance, Ministry of Youth and Sports, UNYAC, Media, Private sector (tbd), CSOs (tbd)</i></p>	<p>(prioritized, data planned to be collected)</p>	<p>All victims are over 18 years old.</p> <p>The share of violence by intimate partners in total crimes toward women is 32% (712 out of 2,237)</p> <p>Victims of domestic violence: 1038 women including 1 pregnant and 12 girls (76% of total 1358 victims); (2019)</p> <p>Forms of domestic violence:</p> <p>premeditated murder: 37 women including 1 girl and 1 pregnant, 7 men, (33 women died)</p> <p>attempted murder: 24 women including 2 girl, 1 pregnant; 13 men</p> <p>intentional infliction of harm to health: serious: 23 women, 18 men less serious: 94 women, 36 men minor: <u>831 women including 7 girl; 233 men</u></p> <p>torture: 8 women including 1 girl; 1 man</p> <p>threats (to kill or make serious damage to health): 2 women</p>			
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		other: 19 women (15 injured); 12 men;			
	SDG 5.3.1 Proportion of women aged 20-24 years who were married or in union 1) before age 15 and 2) before age 18 (prioritized, data planned to be collected) Sex ratio at birth in the population	tbd 114 boy per 100 girl (2019)	Tbd 110/100	Custodian agency UNICEF Source: SCFWFA	
	SDG 8.5.1 Average hourly earnings of women and men employees, by occupation, age and disability status *(Prioritized, data available in the portal, however not disaggregated)	3.5 manat (2018) (National Information on SDGs)	5 AZN Double labor productivity by 2030 (source: National Employment Strategy)	National Information on SDGs (custodian agency ILO)	
	SDG 5.5.2 Proportion of women in managerial positions (and leadership) *(Prioritized, data available in the portal)	35.6 % (2018) 7 % (Prosecutor's office)	40%	National Information on SDGs (custodian agency ILO)	
	SDG 5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments *(Prioritized, data available in the portal)	18.2 % (2020) 22 women Number of women deputies of local executive authorities - 76 people, women heads - 1 (2019) The chairman of the Milli Majlis is a woman. Number of committee chairwomen in parliament - 2 (13.3%)	25%	Source: SSC letter dated 21 Oct 2020 National Information on SDGs (custodian agency UN Women)	
	Number of local and national mechanisms created to address	tbd	tbd		

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	<p>gender-based violence in Azerbaijan</p> <p>SDG 3.7.1 proportion of women of reproductive age (15–49 years) who have their need for family planning satisfied with modern methods, % women aged 15–49 years</p> <p>SDG 3.7.2 Adolescent birth rate (aged 10–14 years; aged 15–19 years) per 1,000 women in that age group</p> <p>(prioritized, data available)</p> <p>number of livebirths per 1000 women aged 10–14 years and 15–19 years</p>	<p>Number of children born to women aged 15-17 - 2320 (1.6%)</p>			
Output statement		Baselines (year)	Target (duration of Cooperation Framework)	Source/ Means of Verification	Assumption Statement
<p><i>Output 4.1.1:</i></p> <p><i>Costed action plans on gender equality are set up and implemented</i></p> <p>(UNFPA, UNDP, UNODC, ILO, WHO)</p> <p>UPR recommendations 140.25; 140.28; 140.108; 140.119; 140.122; 140.126</p>	<p>a) Number of endorsed and costed national action plans on gender equality and the elimination of gender discrimination and violence</p>	<p>Law of the Republic of Azerbaijan “On Combating Human Trafficking”, Employment Strategy of the Republic of Azerbaijan for 2019-2030, Action Plan “On Employment Strategy” for 2020-2025</p>			
	<p>b) An active national institution with a mandate to coordinate monitor implementation of national policies on gender equality is in place. (Yes/No)</p>				
	<p>c) SDG 5.a.2: The legal framework (including customary law) guarantees women’s equal rights to land ownership and/or control</p>	<p><u>1</u></p>		<p>1 (An alternative sub indicator can be considered to assess the enjoyment of these</p>	

	*(Prioritized, data available in the portal)			rights in practice by women)	
	d) Number of legislations adopted or amended to promote gender equality in line with relevant human rights and labour rights standards				
<p>Output 4.1.2:</p> <p><i>Stereotypes of women and girls are reduced in public discourse</i></p> <p>(OHCHR, UNFPA, UNICEF, UNDP, UNODC)</p> <p>UPR recommendations 140.111; 140.115; 140.117</p> <p>Treaty Bodies concl. observations</p> <ul style="list-style-type: none"> • CCPR/C/AZE/CO/4, para 15A • CEDAW/C/AZE/CO/5, paras 20, 21, 28 C, D, E, 29 D, E 	a) Number of local initiatives/actions to address gender stereotypes and discriminatory social norms				
	b) Number of primary and secondary school materials revised to eliminate stereotypical portrayal of women and girls				
	c) Frequency of stereotypical language in job advertisements				
<p>Output 4.1.3</p> <p><i>Women and girls have skills and knowledge to enjoy equal rights and opportunities</i></p> <p>(UNICEF, UNHCR, UNDP, UNODC, ILO, FAO, UN-Habitat)</p>	a) Number of women and girls who are involved in learning STEM or business of science industry supported by UN				
	b) Number of women and girls who have participated in skill development programmes for learning, personal empowerment, active citizenship and employability through UN-supported programmes (disag. To include refugees)				

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<p>UPR recommendations 140.125; 140.128</p>	<p>c) Proportion of women from marginalised background who successfully had access to justice</p>				
<p>Treaty Bodies concl. observations</p> <ul style="list-style-type: none"> • CCPR/C/AZE/CO/4, para 15C • CEDAW/C/AZE/CO/5, paras 31, 35 	<p>d) SDG 5.a.1: (b) share of women among owners or rights-bearers of agricultural land, by type of tenure</p> <p>(prioritized, data is planned to be collected)</p>	<p><u>tbd</u></p>	<p>tbd</p>	<p>Custodian agency FAO</p>	

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