



***Annual Monitoring and Evaluation Results  
of Strategic Roadmaps on National Economy Perspective  
and Main Sectors of Economy for 2017***

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## **Center for Analysis of Economic Reforms and Communication**

**Implementation of the results-based monitoring and evaluation of the Strategic Road Maps was assigned to**  
**The Center for Analysis of Economic Reforms and Communication**  
**by decree of the President of the Republic of Azerbaijan, Mr. Ilham Aliyev**  
**dated December 06, 2016**

# Outline of the presentation

1. Monitoring and Evaluation Framework
2. General Results on Execution of SRMs
3. Sectoral Results of SRMs
4. Key areas of progress

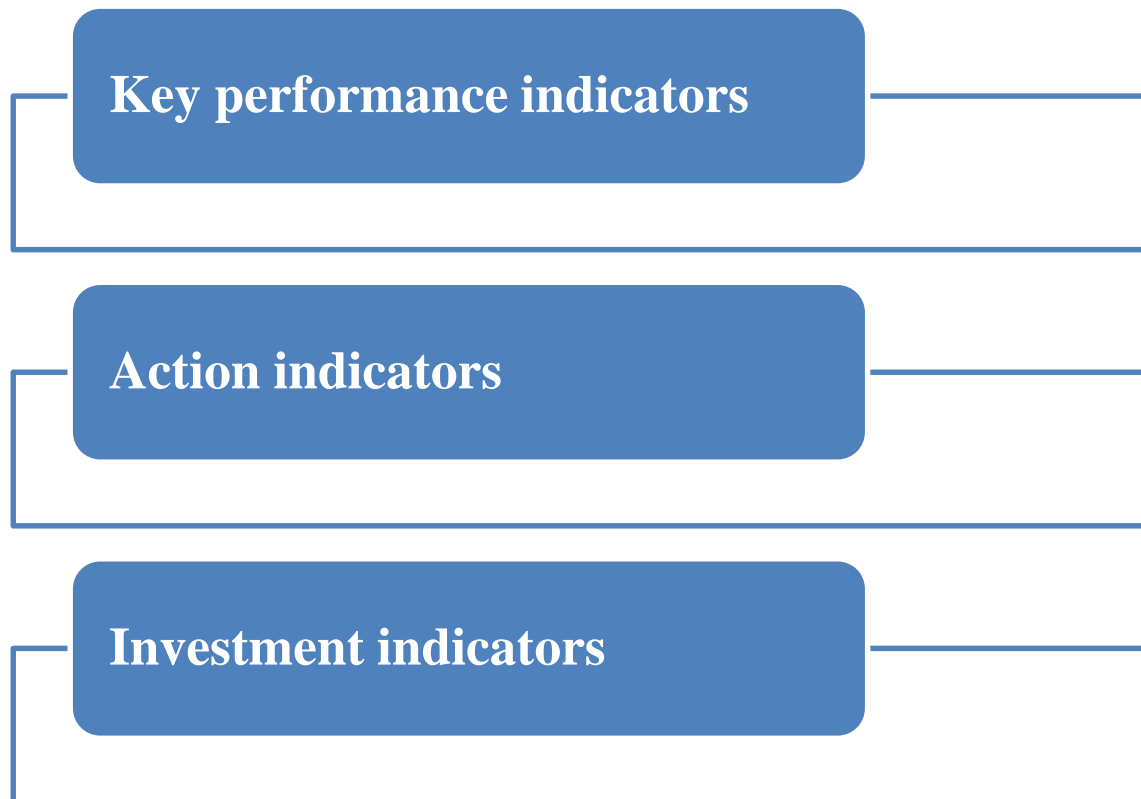
## System components

The Results based Monitoring & Evaluation system for the Road maps consist of the following **six components**:

- Road map **indicator framework**
- **Semi-annual assessments and reports**
- **Annual assessments and reports**
- tailored reports
- a dashboard
- reports on **institutional performance**

# System components

## Component 1: Road map indicator framework

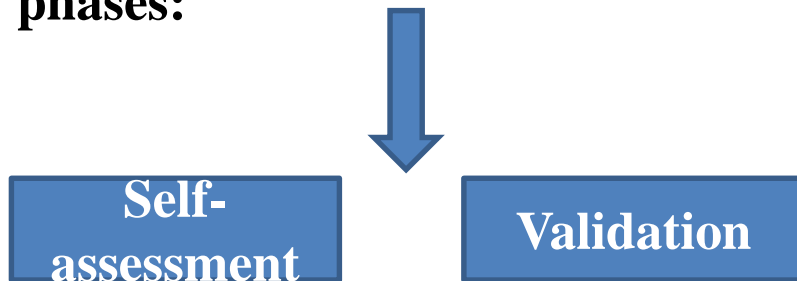


*The indicator framework defines indicators at three levels*

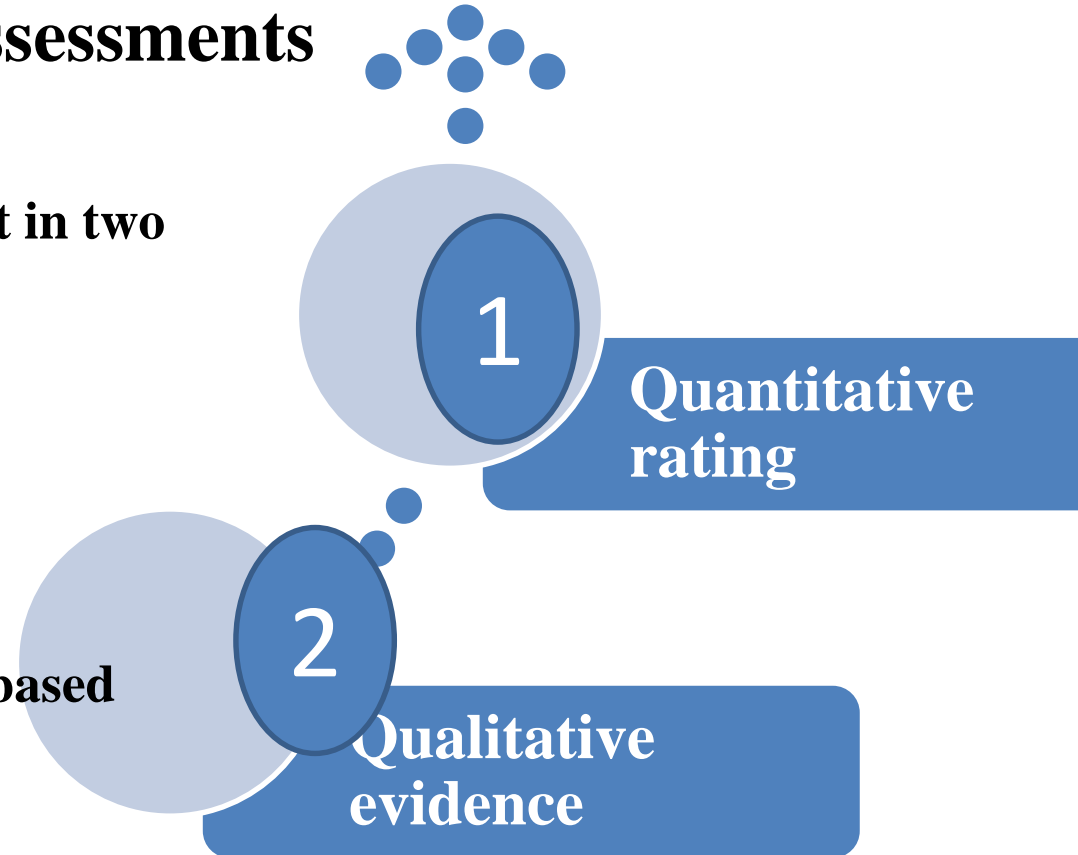
# System components

## Component 2: Semi-annual assessments and reports

The semi-annual assessment is carried out in two phases:



A semi-annual report for each Roadmap based on the semi-annual self-assessment and validation by CAERC



# System components

## **Component 3:Annual assessments and reports**



- Based on an update of Key Performance Indicators as well as a broader analysis of changes over the past year in the Roadmap.

## **Component 4:Institutional performance**



- Based on the data from the semi-annual assessment of actions, an aggregated, possible weighted performance scorecard will be calculated for each responsible institution.

## **Component 5:Dashboards**


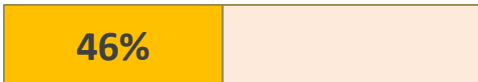











- Aggregated data on actions, KPIs
- And investment so far is depicted using a dashboard.

# General Results of Monitoring and Evaluation of execution status of Strategic Road Map for 2017

## Execution status of Strategic Road Map\*

■ <10% 
 ■ 10% - 90% 
 ■ >90%

<b>National Economic Perspective</b>  	<b>Production and Processing of Agriculture Goods</b>  	<b>Production of Consumers Goods at SME level</b>  
<b>Heavy Industry and Machinery</b>  	<b>Specialized Tourism Industry</b>  	<b>Logistics and Trade</b>  
<b>Affordable Housing</b>  	<b>Vocational Education and Training</b>  	<b>Financial Services</b>  
<b>Telecommunication and Information Technologies</b>  	<b>Utility Services (electricity and thermal energy, water and gaz)</b>  	

\* Implementation status of strategic road map includes measures to be taken in 2017 as defined in detailed action plans.



# General Results of Monitoring and Evaluation of execution status of Strategic Road Map for 2017

## Performance of key executing agencies\*

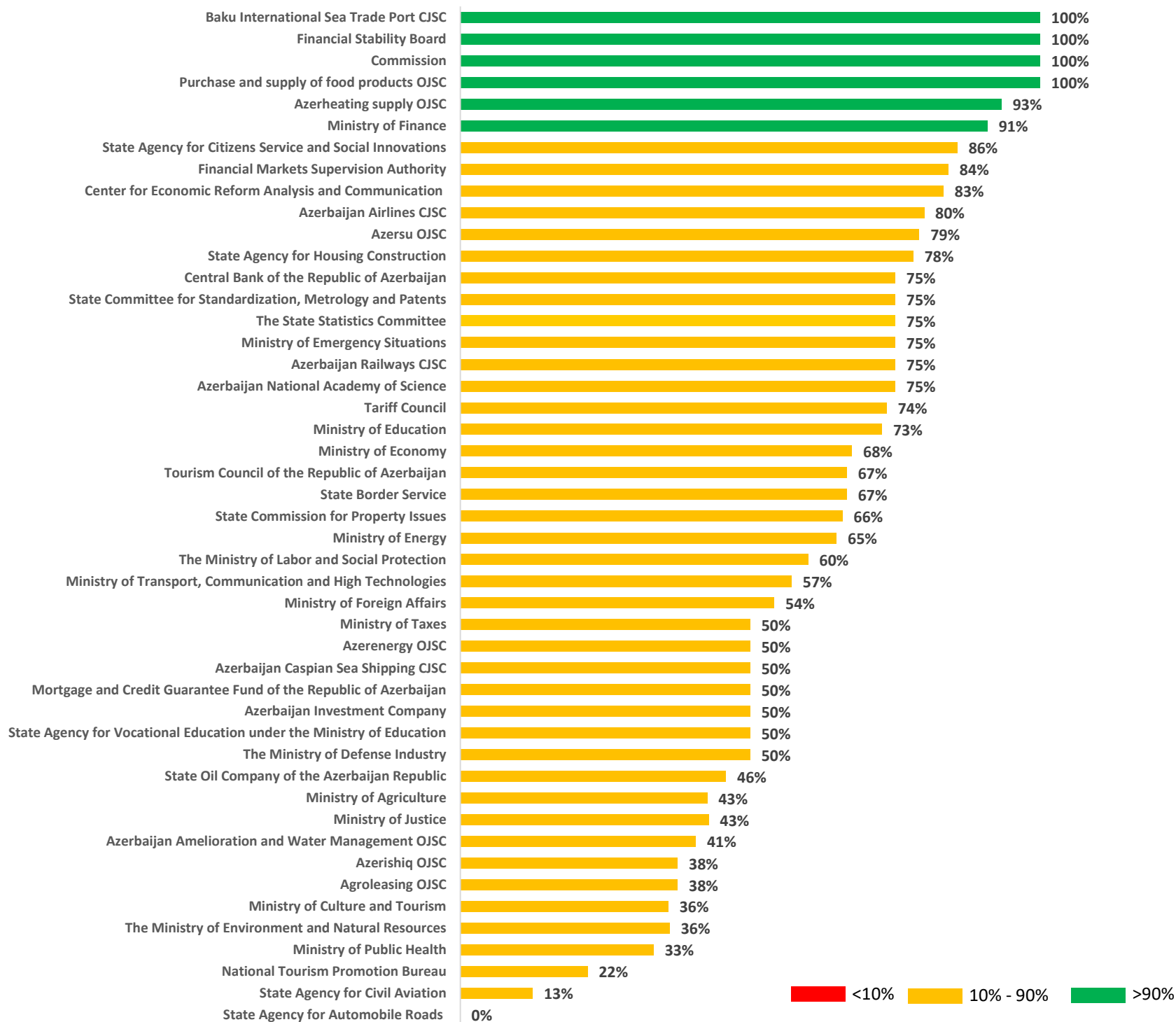
Name of key executing agency	Rank (1-47)	Score (1-100)	Compare with half year report	Number of measures** (1-539)	Name of key executing agency2	Rank (1-47)	Score (1-100)	Compare with half year report2	Number of measures** (1-539)
Baku International Sea Trade Port CJSC	1	100	61 ↑	6	Ministry of Energy	25	65	44 ↑	24
Financial Stability Board	2	100	-	1	The Ministry of Labor and Social Protection	26	60	27 ↑	15
Commission***	3	100	-	1	Ministry of Transport, Communication and High Technologies	27	57	25 ↑	14
Purchase and supply of food products OJSC	4	100	50 ↑	1	Ministry of Foreign Affairs	28	54	4 ↑	5
Azerheating supply OJSC	5	93	43 ↑	4	Ministry of Taxes	29	50	-	3
Ministry of Finance	6	91	22 ↑	7	Azerenergy OJSC	30	50	-25 ↓	2
State Agency for Citizens Service and Social Innovations	7	86	29 ↑	5	Azerbaijan Caspian Sea Shipping CJSC	31	50	50 ↑	1
Financial Markets Supervision Authority	8	84	56 ↑	50	Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	32	50	-	1
Center for Analysis of Economic Reforms and Communication	9	83	33 ↑	1	Azerbaijan Investment Company	33	50	-	1
Azerbaijan Airlines CJSC	10	80	43 ↑	4	State Agency for Vocational Education under MoE	34	50	-	1
Azersu OJSC	11	79	42 ↑	4	The Ministry of Defense Industry	35	50	-	1
State Agency for Housing Construction	12	78	18 ↑	10	State Oil Company of the Azerbaijan Republic	36	46	-4 ↓	3
Central Bank of the Republic of Azerbaijan	13	75	25 ↑	12	Ministry of Agriculture	37	43	14 ↑	75
State Committee for Standardization, Metrology and Patents	14	75	35 ↑	5	Ministry of Justice	38	43	33 ↑	5
The State Statistics Committee	15	75	63 ↑	4	Azerbaijan Amelioration and Water Mngt OJSC	39	41	-9 ↓	7
Ministry of Emergency Situations	16	75	75 ↑	2	Azerishiq OJSC	40	38	4 ↑	6
Azerbaijan Railways CJSC	17	75	42 ↑	2	Agroleasing OJSC	41	38	18 ↑	5
Azerbaijan National Academy of Science	18	75	25 ↑	2	Ministry of Culture and Tourism	42	36	-6 ↓	43
Tariff Council	19	74	24 ↑	9	The Ministry of Environment and Natural Resources	43	36	1 ↑	10
Ministry of Education	20	73	35 ↑	16	Ministry of Public Health	44	33	-17 ↓	2
Ministry of Economy	21	68	39 ↑	131	National Tourism Propaganda Bureau	45	22	-22 ↓	16
Tourism Council of the Republic of Azerbaijan	22	67	-	3	State Civil Aviation Administration	46	13	-28 ↓	5
State Border Service	23	67	17 ↑	1	State Agency for Roads of Azerbaijan	47	0		1
State Commission for Property Issues	24	66	13 ↑	12					

\* When determining the performance of the key executing bodies, measures implemented by the main implementing agencies of each organization are assessed as "1" point, measures commenced to implement "0.5" point and measures not started with a score of "0", the overall result is the overall performance of those institutions divided by the number. Thus, the specific weight of the measures taken by the main executing agencies in the overall measures was not taken into consideration.

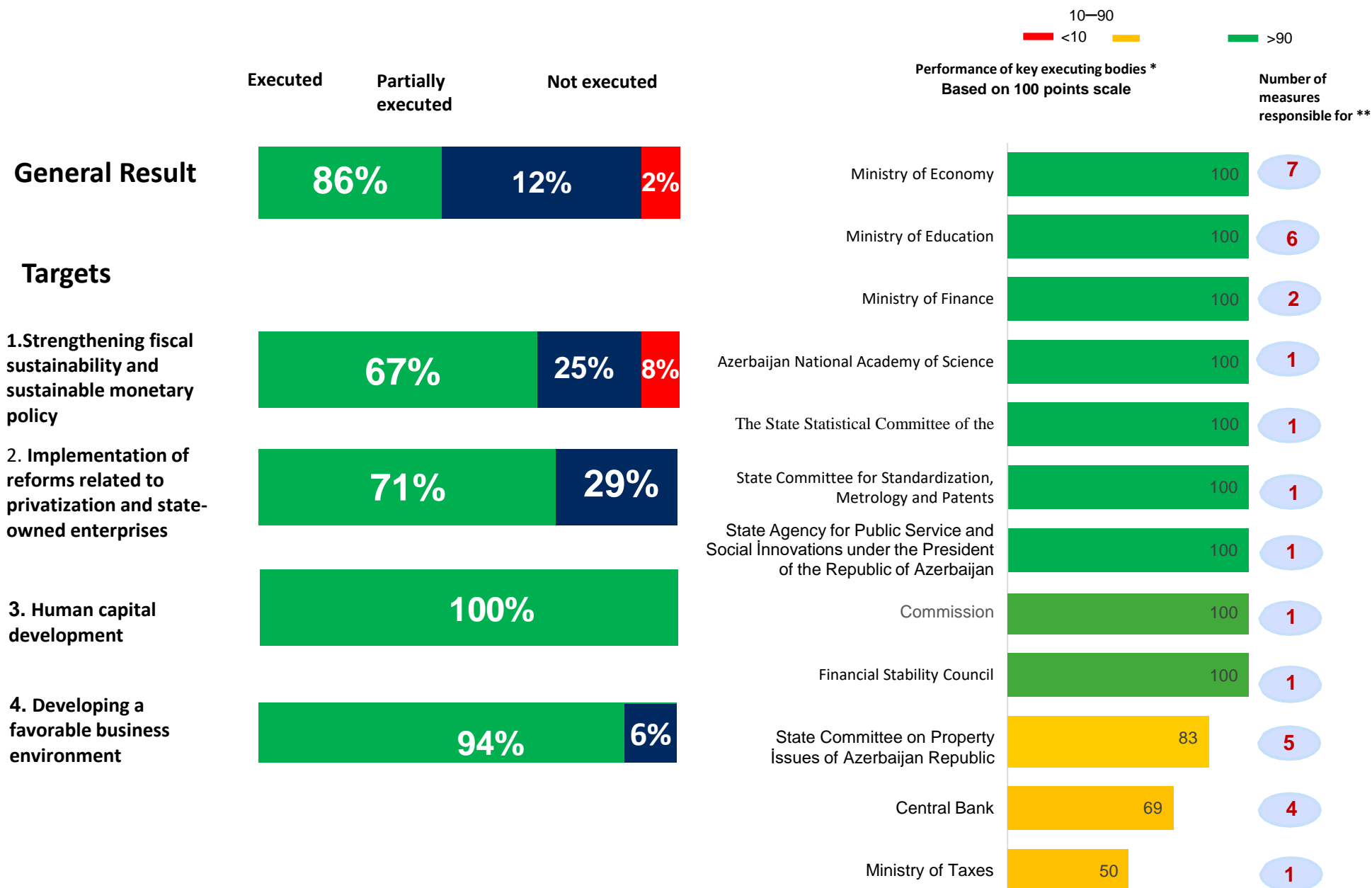
\*\* The number of measures undertaken by key executing agencies includes the measures envisaged to be implemented in 2017 for detailed action plans of strategic road maps.

\*\*\* Commission established by the Order of the President of the Republic of Azerbaijan No 2199 of 13 July 2016

# General Results of Monitoring and Evaluation of execution status of Strategic Road Map for 2017



# Execution status of Strategic Road Map on National Economy Perspective



*In determining the performance of the main executing agencies, the overall result achieved by evaluating the "1" score, partially implemented measures "0.5" points and the non-performing measures "0" points were taken by the main executives of each organization. divided by the number. Thus, while evaluating the performance of the key executing agencies, the specific weight of the measures taken in the "Strategic Road Map of the Republic of Azerbaijan for the National Economy Outlook" was not taken into account.*

*\*\* The number of measures taken by the relevant agencies includes the measures envisaged to be implemented in 2017 for this Detailed Strategic Road Map.*

*Commission established by the Decree of the President of the Republic of Azerbaijan No 2199 of July 13, 2016*

# General Results For Priorities on National Economy Perspective SRM

92%

- performance indicator for 2017

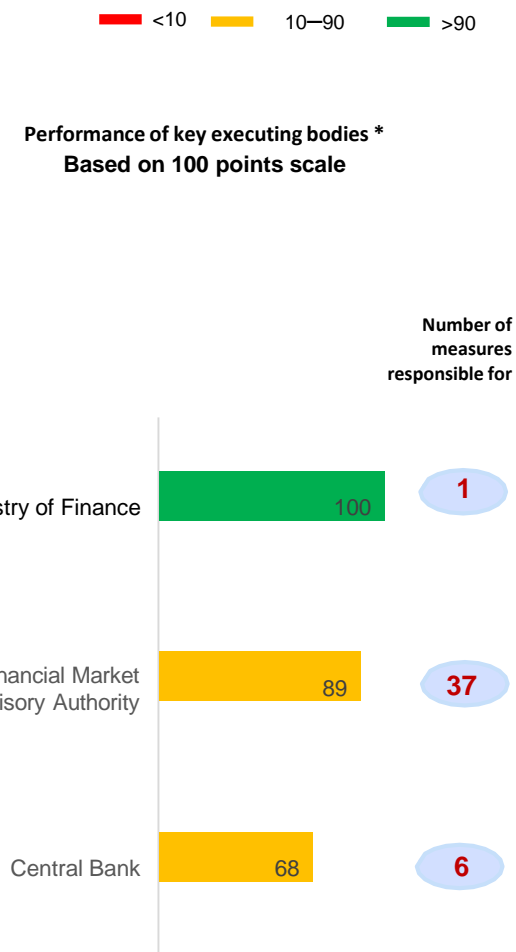
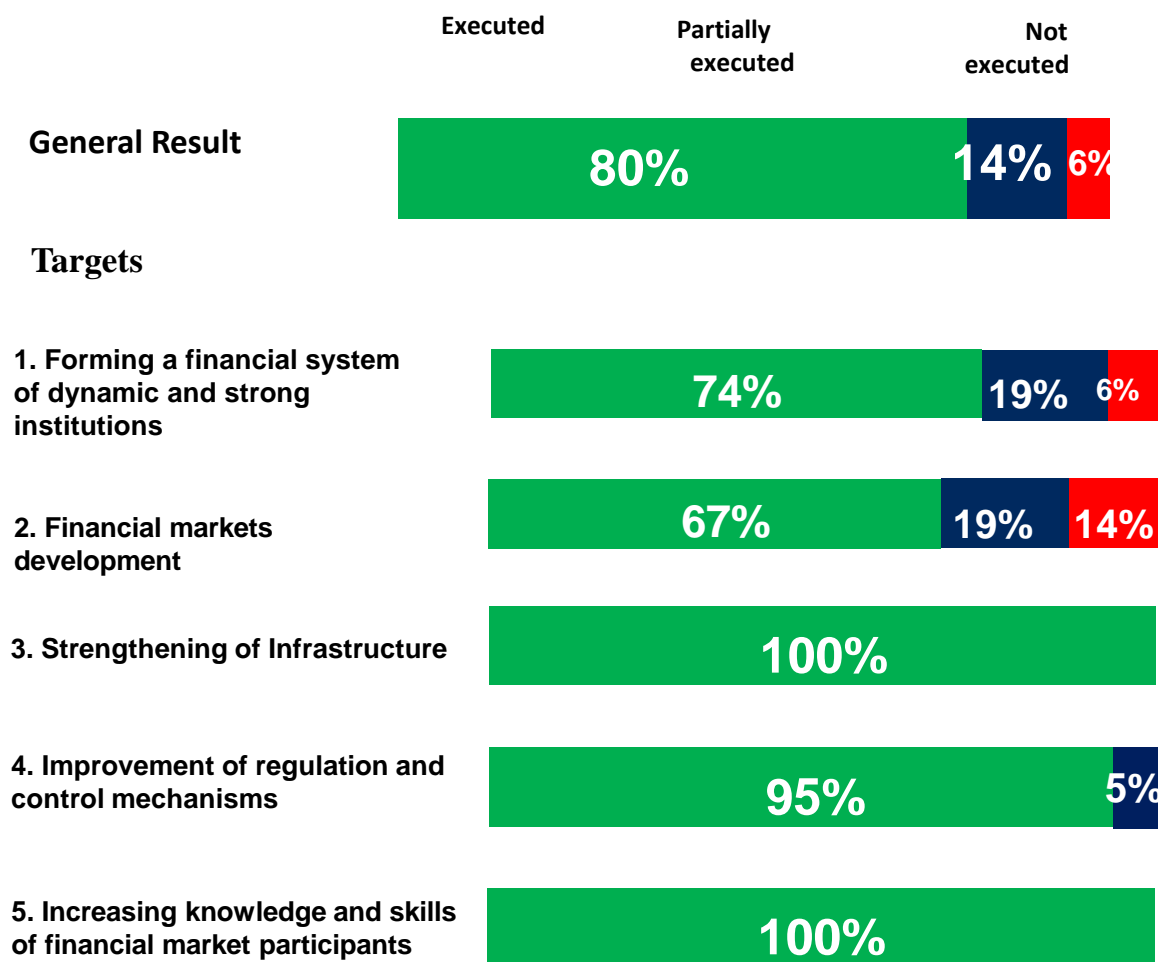
Performance status of priority *		Main Performance Indicators –Outcome (by 2025)	Impact
Adoption of the "golden rule" that will regulate the transfer of oil revenues to the state budget	100%	Delivering the non-oil sector's direct foreign investment to non-oil GDP from 2,627% to 4% by 2025	An average annual real increase of over 3 per cent in GDP by 2025  Establishment of more than 450,000 new jobs by 2025  <10
Creating a mechanism for cost / investment discipline	100%	Increase in non-oil exports by US \$ 170 per capita in 2015 to at least US \$ 450 in 2025	
Implementing an effective monetary policy regime in the new economic model	72%	Establishment of 150,000 additional jobs in commercial goods and services sectors, such as manufacturing or tourism sectors by 2025	
Co-ordinatg a common approach to increasing the effectiveness of the public sector role in the economy	88%	Reduction of State budget dependency on SOFAZ transfers	
Successful implementation of privatization agenda and privatization in priority sectors	75%		
Suitable for privatization and direct foreign investment attracting investors	100%		
Raising quality at all levels of education	100%		
Stimulation of human capital development to increase labor productivity	100%		
Further strengthening of the government's leading role in creating a favorable business environment	94%		
Strengthening business continuity through promoting sustainable business environment	100%		

The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map. The main performance indicators as well as the impact indicator will be assessed in 2025.

# *Key areas of progress on National Economy Perspective SRM*

- ✓ *In 2017, implementation of 86% of activities of the "Strategic Road Map on National Economic Outlook of the Republic of Azerbaijan" was completed by 2017, with 12 percent of partial implementation and 2 percent not implemented.*
- ✓ *The advanced international experience and current situation was analyzed, and a report on budget rules that can be applied in Azerbaijan presented. A draft law "On Making Amendments to the Law of the Republic of Azerbaijan On Budget System" was prepared. Suggestions for the creation of Medium Term Expenditure Framework Mechanisms were prepared.*
- ✓ *Monetary program (2017), which ensures the control of money supply channels, adopted and this program was implemented throughout the year.*
- ✓ *Changes were made to the currency auction mechanism, and the foreign exchange cash and non-cash exchange rate was offset against the official exchange rate ( $\pm 4\%$ ). A document titled "Medium-term and long-term strategy for public debt management" was developed.*
- ✓ *The Action Plan on Implementing the Decree of the President of the Republic of Azerbaijan No 2199 of July 13, 2016 "On Additional Measures to Increase the Applicability of Business Environment in the Republic of Azerbaijan and Further Improvement of Our Country's Position in International Ratings" dated June 2, 2017 was adopted. Relevant reform measures were implemented in the directions defined in the Action Plan.*
- ✓ *The list of "state-owned enterprises to be kept publicly owned during the medium term" were updated, taking into account the criteria that determine the demand for state-owned property. The process of privatization of state-owned property was accelerated and a decision was made to privatize about 40 enterprises and facilities and 13 of them were privatized. During the year 2017, the shares of 11 joint-stock companies (9 money auctions and 2 through investment competition) were privatized. 529 out of 699 small state-owned enterprises and facilities and 232 leased non-residential premises, 759 enterprises and objects were sold during the year. A decision was made to privatize the land area where 336 facilities were located and the land area where 320 facilities were located was privatized.*
- ✓ *The international experience in investment promotion mechanisms was studied and the procedure for the regulation of "Invest in Azerbaijan" was developed.*
- ✓ *The Law of the Azerbaijan Republic "On preschool education" of April 14, 2017 was adopted. In order to achieve qualitative changes in the field of general education, the 2017-2018 academic year was announced the "Year of Quality in General Education" and Action Plan covering measures implemented in this direction. In April-May 2017, 41 360 learners' knowledge and skills were assessed in the remaining 26 regions of the country and 140 thousand teachers in the country's general education system were completed, their salaries were doubled, weekly school load was increased 1.5 times.*
- ✓ *A new draft of the Competition Code was developed within the Commission on increasing the business climate and increasing the country's position in international ratings. The Law of the Republic of Azerbaijan "On Unemployment Insurance" was adopted on June 30, 2017.*

# Execution status of the Strategic Road Map on Financial Services Development



*In determining the performance of the main executing agencies, the overall result achieved by evaluating the "1" score, partially implemented measures "0.5" points and the non-performing measures "0" points were taken by the main executives of each organization. divided by the number. Thus, while evaluating the performance of key executing bodies, the specific weight of the measures they are responsible for in the implementation of the Strategic Road Map on the Development of Financial Services in the Republic of Azerbaijan not taken.*

*\*\* The number of measures taken by the relevant agencies includes the measures envisaged to be implemented in 2017 for this Detailed Strategic Road Map.*

# General Results For Priorities on Financial Services Development

87%

– performance indicator for 2017

<10%

10%–90%

>90%

## Performance status of priority

Main  
Performance  
Indicators \*\*  
"outcome" (by  
2020)

"impact"

Capitalization of the banking system and liquidity provision

75%

Revision of the legal framework, acceleration of judicial decisions and enforcement proceedings

100%

Increasing banking sector profitability by 7 per cent compared to 2015

real GDP growth by 750 million manat in 2020

Preparation of a restructuring plan for non-performing assets

67%

Ensuring better risk management of banks

100%

Listing 5 companies in addition to important sectors on stock market until 2020

Establishing 1,600 new work places

Insurance market development

91%

Application of consolidated risk-based control model in the financial services sector

100%

60% of the financial depth (ratio of loans to non-oil GDP) ;

Strengthening financial inclusion

Improving regulatory arrangements to accelerate digital transformation of banks

100%

reduction of non-performing loan ratio up to 8%;

Creating a favorable environment for issuers and financial intermediaries

100%

Increasing the transparency of accountability in the financial services sector

100%

reaching 1.4 percent of insurance penetration (insurance premiums to non-oil GDP)

İnvestorların maliyyə bazarlarına çıxış imkanlarının artırılması

81%

Improvement of insurance activity regulation and control mechanism

92%

Increasing activity in the interbank money market

42%

Improving the knowledge and skills of financial sector professionals

100%

Improving credit information sharing system

100%

Increasing the financial literacy of consumers and enhancing the protection of their rights

100%

The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map.

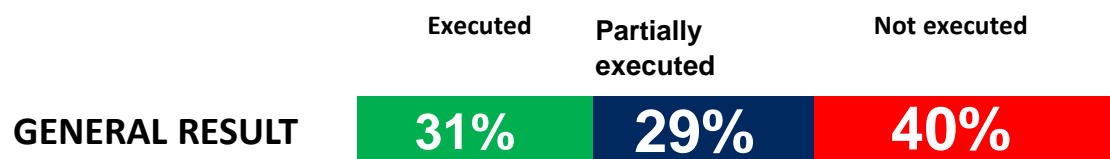
\*\* Assessment on Impact indicator will be made in 2020

# *Key areas of progress on Financial Services Development*

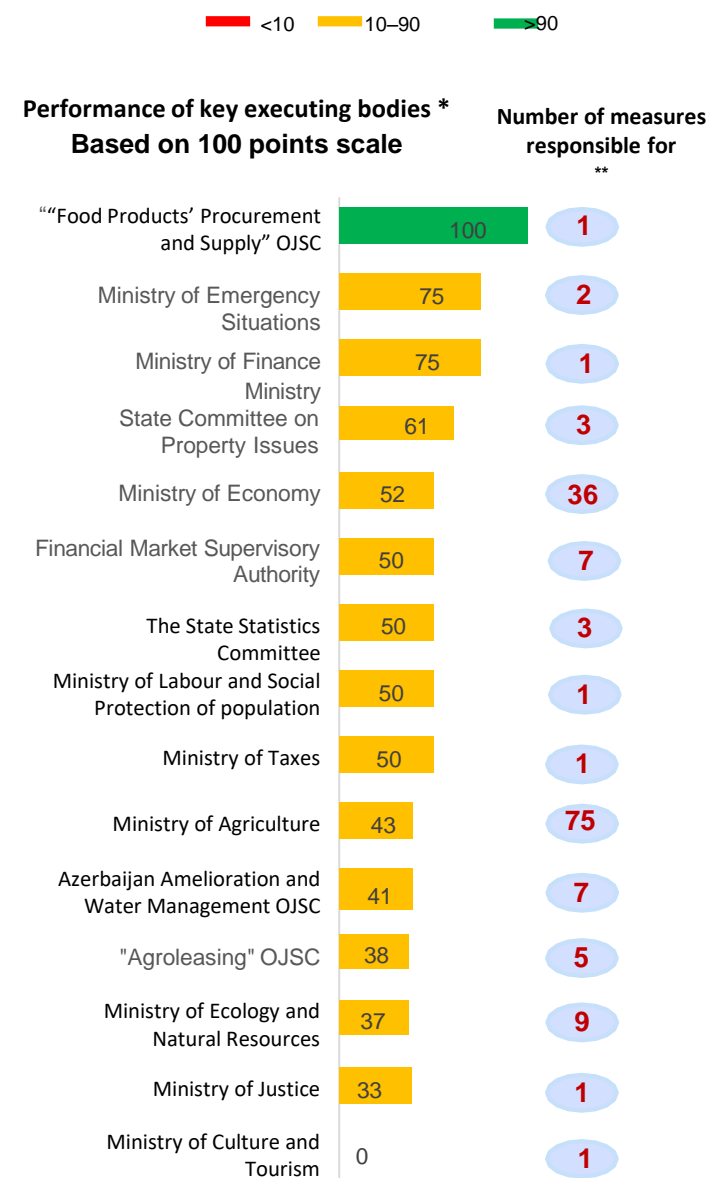
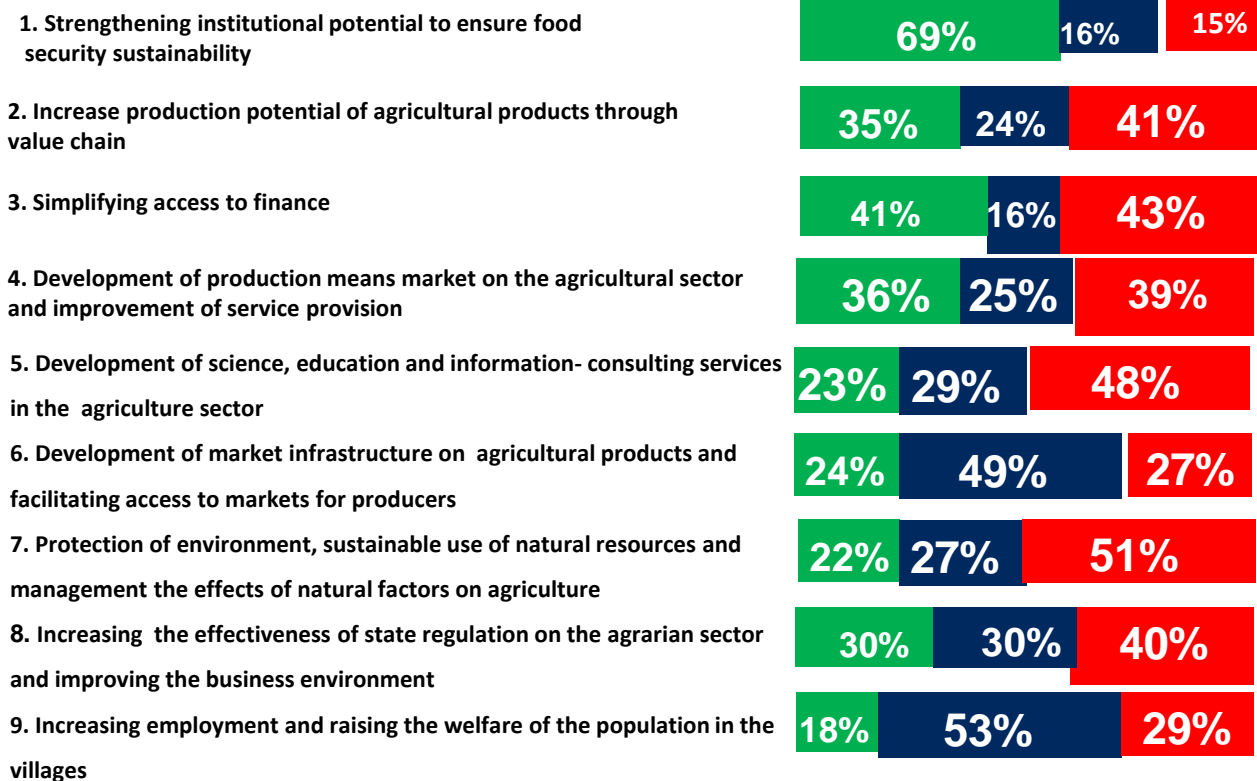
- ✓ *In order to analyze the financial condition of the banks, graphs were made, diagnostic inspections were carried out, quality of their assets, currency position and capital status were assessed and relevant stress-tests were conducted.*
- ✓ *The "Istanbul Approach" and "London Approach" on the preparation of legal regulation documents for non-current assets were studied and preparation of proposals was commenced*
- ✓ *Advanced international experience on insurance market development was studied and diagnosis of current situation was ensured. As a result, the operation model for each insurance area was determined.*
- ✓ *During the reporting period, the listing requirements for existing stock and bond segments of the Baku Stock Exchange (BSE) were analyzed and deficiencies were identified.*
- ✓ *Clearing-settlement systems at international depository institutions Euroclear and Clearstream were studied in order to increase the access of foreign investors to the local financial market, and the work on the MDM's Clearstream membership reached its final stage.*
- ✓ *A new clearing rules draft was developed to improve the clearing operations with securities.*
- ✓ *In order to encourage the establishment of private credit bureaus, regular meetings with potential stakeholders were held, potential opportunities were discussed and ultimately a private credit bureau was established.*
- ✓ *In each bank, risk management was assessed for compliance with international standards, including the Basel II / III principles*
- ✓ *Diagnostics and regulation of the insurance sector were carried out*
- ✓ *In this context, the conformity of insurance legislation with the ICP (Insurance Core Principles) principles developed by the Association of International Insurance Supervisors was assessed.*
- ✓ *The experience of leading countries in the field of financial literacy were studied, and measures taken in these countries, as well as the existing electronic resources in the field of economic enlightenment were studied.*



# Execution status of SRM on the production and processing of agricultural products



## TARGETS



*In determining the performance of the main executing agencies, the overall result achieved by evaluating the "1" score, partially implemented measures "0.5" points and the non-performing measures "0" points were taken by the main executives of each organization. divided by the number. Thus, the specific weight of the measures taken in the evaluation of the performance of key executing bodies in the Strategic Road Map on Agricultural Products Production and Processing in the Republic of Azerbaijan was not taken into account. \*\* The number of measures taken by the relevant agencies includes the measures envisaged to be implemented in 2017 for this Detailed Strategic Road Map.*

# General Results For Priorities on the production and processing of agricultural products-1

46%	- performance indicator on 2017				<div><div></div>&lt;10%</div> <div><div></div>10%–90%</div> <div><div></div>&gt;90%</div>	
Performance status of priority *					Main Performance Indicators ** "outcome" (by 2025) “outcome” (2025-ci il üzrə)	“impact”
Establishment of monitoring and information system based on Food security sustainability and population's access to food	100%	Development of agrarian insurance	50%	20 percent increase in meat production, 30 percent increase in milk production	real GDP growth of 1235 million pounds in 2020	
		Promoting investments in the agrarian sector	50%			
Forming of mechanisms for achieving safe food supplement by all layers of the population	75%	Land market development	92%	increase of the production volume at least 4 times on cotton production and processing	Creating 20,000 new jobs	
Forming of food security system based on the risk analysis approach and covered all phases of the value chain	69%	Improvement of producers' provision with irrigation water	80%	increase of the production volume at least 1000 times on cocoon production, as well as processing		
Strengthening production capacity on competitive agricultural and processing industry products both in domestic and foreign markets		development of provision of Agricultural products manufacturers' with technics, machine and equipments and improvement of agroservice market	63%	Establishment of 25 Small and Medium Entrepreneurship Entities on Value Chain of proper products in every region by 2020		
Promoting the growth of agricultural and processing industry products that are potentially able to replace import	58%	Development of seed and bearing market and strengthening of local production potential	40%	creating an opportunity for access to additional 665 million manat		
Forming of a farm partnership in agriculture and development of cooperation	29%	Improving the supply of fertilizer and plant protection means	22%	preparation of at least 100 investment projects on administrative regions and sectors		
Development of public-private partnerships for implementation of complex projects	67%	Improvement of supplement with mixed cereal of cattle-breeding and developing of pedigree	15%	20 percent increase in producers' irrigation water supply		
Formaing of support infrastructure for agrobusiness development	60%	Improving supplement of agricultural producers with the veterinary and phytosanitary services		5 per cent increase of total area at the expense of returning crop turnover of unused but, useful lands on agriculture		
Improvement of financing mechanisms on agricultural sector	47%	Ensuring transition to a new development stage by quality in agrarian education	58%	25% increase in the use of mineral fertilizers by producers of agricultural products		

The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map.

\*\* Assessment on key performance indicators, as well as impact indicator, will be carried out in 2025.

# General Results For Priorities on the production and processing of agricultural products - 2

■ <10% 
 ■ 10%–90% 
 ■ >90%

Performance status of priority *				Main execution indicators (for 2025)	“impact”
Improve the mechanisms of planning, implementation and application of results on scientific research in agriculture	43%	Development of ecologically clean agriculture production	27%	Increase in the use of plant protection tools by agricultural producers by 25 percent	
Formaing of an information-consulting network covering the needs of the agrarian sector	19%	Taking measures to create a favorable agribusiness environment	39%	reaching up to 90% the use level from certified seeds, as well as tings by agricultural producers	
Developing of market infrastructure on agricultural products	37%	Establishment of electronic agriculture, improvement of registration, accounting and statistics system	54%	Reaching up to 20 % increase in supply of machinery ,small size machinery and equipment of producers	
Improving of market regulation on agricultural products	81%	Strengthening the potential of regulation bodies for agriculture	22%	Increase in the number of students in higher education institutions by 20 percent in all disciplines	
Protection and promotion of exports on agricultural and processing industry products	43%	improving of state support policy to agriculture producers on the basis of development priorities	36%	30 percent increase in the number of private veterinarian service	
Creating of mechanisms on reduction of negative impacts to agriculture of climate change and other natural factors	29%	Establishment of monitoring and evaluation system of agrarian policy results	70%	To build 5 "green" markets and 50 "farm shops" in the capital and major cities	
Improving of environmental protection mechanisms in the agrarian sector	50%	Strengthening the capacity of rural settlements on the social-economic development policy	50%	Specialization of 200 farmers on exporting agricultural products until 2020	
			40%	improvement in meliorativ condition of 30% of irrigated lands	
Improving the mechanisms of sustainable use from agricultural lands and water resources	38%	Supporting local communities' initiatives on rural development	40%		

The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map.

\*\* Assessment on key performance indicators, as well as impact indicator, will be carried out in 2025.

## ***Progress on the production and processing of agricultural products-1***

- ✓ *In 2017, 31 percent of the measures identified in the "Strategic Road Map on the Production and Processing of Agricultural Products in the Republic of Azerbaijan" were implemented, 29 percent partially implemented, and 40 percent not implemented.*
- ✓ *Compared to 2016, production of agricultural products increased by 4.2 percent in 2017, including production of plant products by 6.1 percent and livestock products by 2.7 percent.*
- ✓ *Suggestions for creating a Food Safety Commission were prepared.*
- ✓ *The Food Safety Agency of the Republic of Azerbaijan was established to improve the food security control system, increase transparency and eliminate duplication and overlap.*
- ✓ *By the presidential orders, the state programs on the development of agricultural co-operation, cotton-growing, tobacco, silkworm breeding, tea and citrus fruits were approved.*
- ✓ *In 2017, the creation of 42 agro-parks in 28 districts was initiated, and the creation of 14 different auxiliary facilities, processing and infrastructure facilities in 76 hectares were started. Works of the 1st phase in 3 aquaparks were completed and put into operation.*
- ✓ *In 2017, 7 total 37 million manat were allocated to support the formation of network for agroparks (including agrarian industrial clusters) at the expense of the National Fund for Entrepreneurship Support. It is planned to create 1151 new jobs at the expense of financed projects.*

## ***Progress on the production and processing of agricultural products-2***

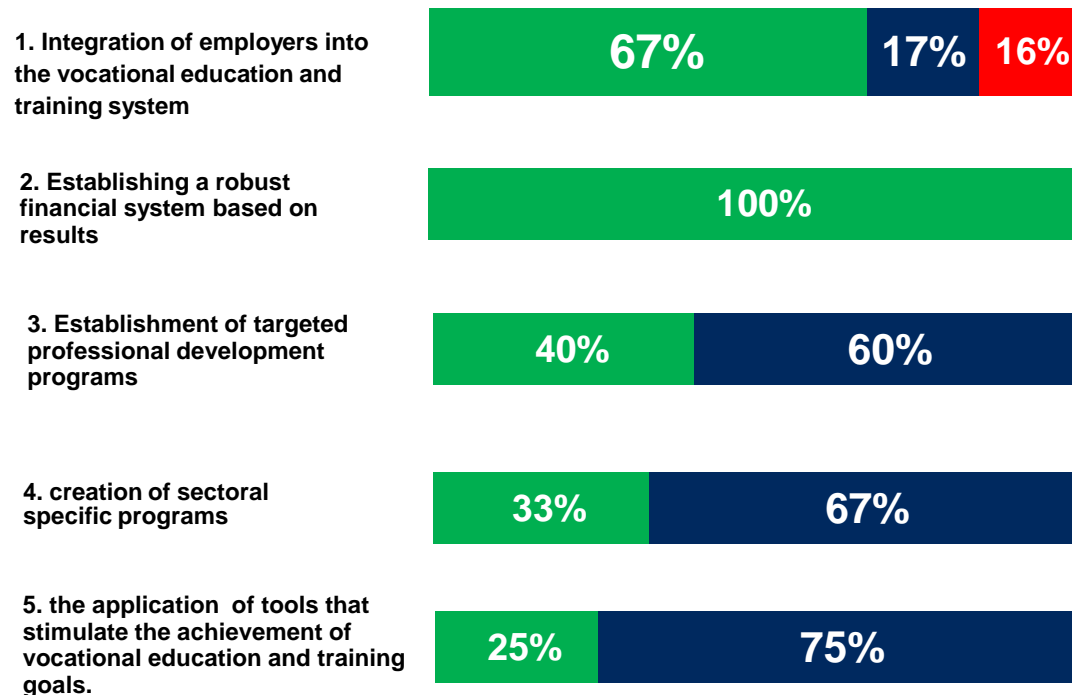
- ✓ *"Agroleasing" OJSC signed contracts for purchase of 11439 units of agricultural machinery in 2017. In 2017, 10182 pieces of equipment were purchased and leased. From 2017, 5730 pieces of equipment were used in cotton-growing, 87 in potato-growing, 638 in sugar beet production and 269 in animal husbandry.*
- ✓ *New regional divisions, warehouses, checkpoints and logistics infrastructure were created to effectively organize the activities of "Food Purchase and Supply" OJSC. The e-portal "Procurement and supply of foodstuffs" ([www.tedaruk.az](http://www.tedaruk.az)) was put into operation since January 1, 2017 in order to establish a centralized procurement system for public needs.*
- ✓ *The Electronic Price Information Portal on Agriculture ([www.aqrarbazar.az](http://www.aqrarbazar.az)) was developed and a new electronic portal ([www.ruraltourism.az](http://www.ruraltourism.az)) created to support the development and functioning of rural tourism.*
- ✓ *Legislation on the production of environmentally-friendly agricultural products was assessed with the technical assistance of international experts and relevant recommendations and proposals on legislative amendments were prepared.*
- ✓ *Electronic cadastral registration of lands were completed in 20 districts of the country, and or field surveys basically completed.*
- ✓ *Feasibility study on the sale of irrigation water to producers of agricultural products was developed. Community-level income-generating projects were implemented in the regions jointly with international partners.*

# Execution status of the Strategic Road Map on the development of vocational education and training

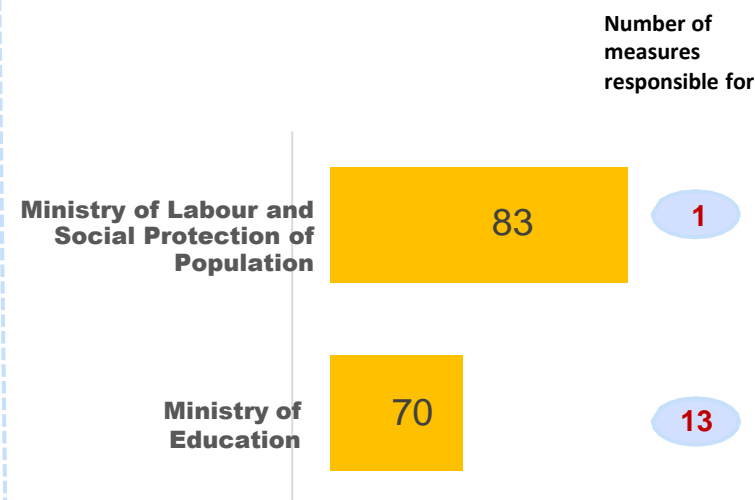
<10 10—90 >90



## Targets



## Performance of key executing bodies \* Based on 100 points scale



*In determining the performance of the key executing bodies, measures implemented by the main implementing agencies of each organization are "1" points, partially implemented "0.5" points, "0" The total score obtained by evaluating the honey is divided by the total number of events that are the main executives of those institutions. Thus, when assessing the performance of key executing agencies, they are responsible*

*their specific weight was not included in the "Strategic Road Map on Vocational Education and Training in the Republic of Azerbaijan".*

*\*\* The number of measures undertaken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map*

# General Results For Priorities on the development of vocational education and training

72 %

—performance indicator for 2017

<10% 10%—90% >90%

*Performance status of priority*

*Main Performance Indicators \*\* "outcome" by 2020)*

*“impact”*

*Establishing partnerships with employers*

73%

*organization of 10 different pilot vocational training establishments within partnerships with employers*

*A direct increase of real GDP by 6 million manat, and 1 billion manat indirect increase in the framework of the priorities of other sectors*

*Attracting qualified specialists to the vocational education system*

100%

*increasing the level of admission of graduates of general education institutions to vocational training institutions by 25 percent*

*creating totally 195, directly 176 new workplaces in the vocational education sector*

*Appointment of additional public, private and international funding sources to ensure further development of the vocational education system*

*increasing the employment level of pilot vocational education graduates to 50 percent within 6 months*

*Implementing stimulation mechanisms based on performance outcomes*

100%

*50 per cent increase in the number of trainees in pilot vocational education institutions*

*Providing training and professional development for the elderly*

70%

*the percentage of children in vulnerable populations involved in vocational education exceeding 5 per cent of the total number of trainees in vocational education*

*Organization of vocational education and training activities on creating model businesses and promoting entrepreneurial thinking for small and medium-sized businesses*

75%

*two-fold increase in salaries of teachers-pedagogical staff of pilot vocational education institutions*

*Support for meeting industry requirements*

50%

*up to 17 per cent of the annual rate of increase in the number of course attendees for the elderly*

*Recognition of skills gained through formal and informal methods*

75%

*əyata keçirilməsi nəzərdə tutulan tədbirləri özündə ehtiva edir.*

*Providing a transparent monitoring and unified data base of information*

50%

*The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map.*

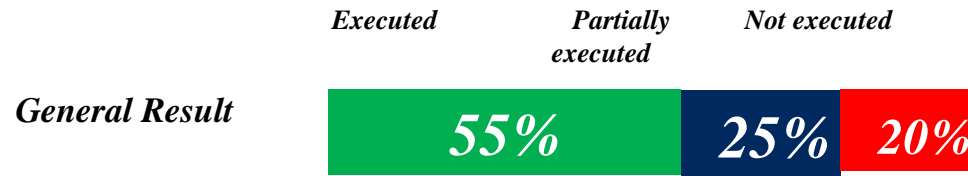
*\*\* Assessment on Impact indicator will be made in 2020.*

## ***Key areas of progress of SRM on Development of Vocational Education and Training***

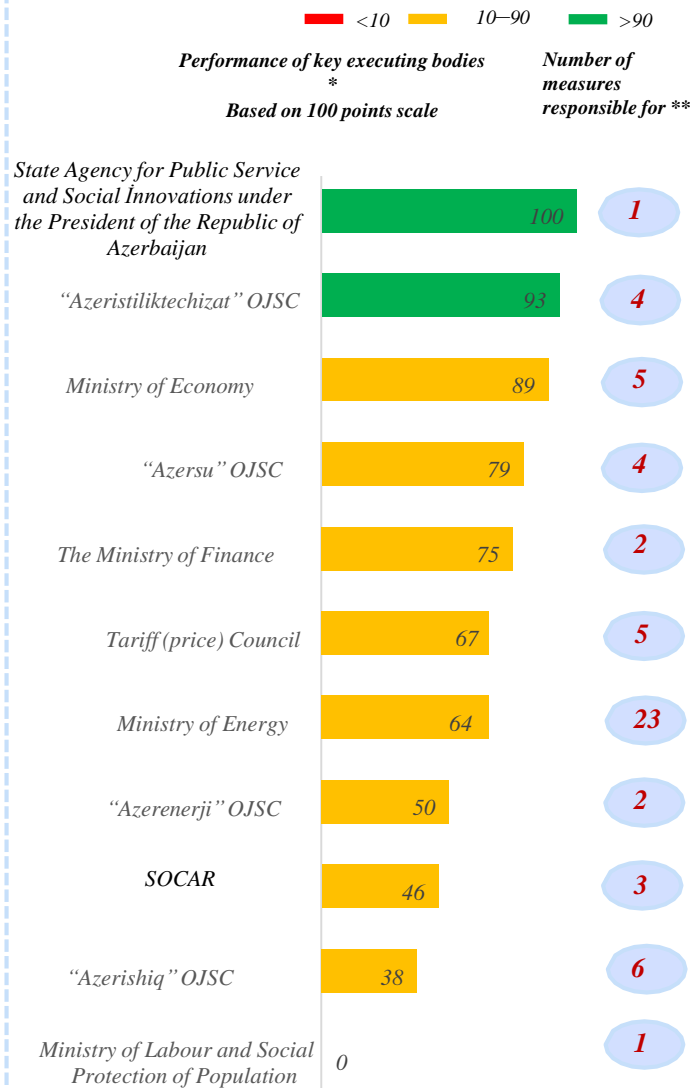
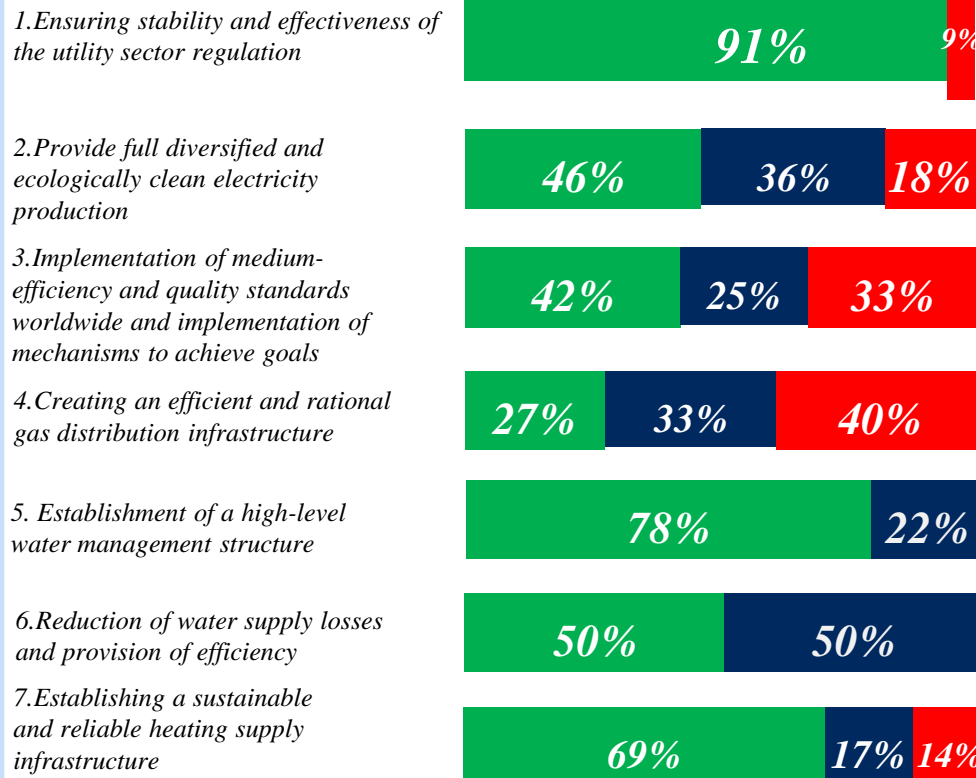
- *Draft action plan was prepared on the basis of offers about rationalization and optimization of the first vocational education network, suspension or temporary freezing of its activities, construction of new educational institutions, for further improvement of management of vocational education institutions, efficient use of financial resources, improvement of quality indicators*
- *10 pilot vocational education institutions were identified and analyzes carried out with the participation of international experts , by taking account the results obtained from investigation of priorities of the economy, employers' requirements, the current situation of vocational education institutions*
- *In accordance with the project "Establishing a Vocational Training Center" funded by the Korean Foundation for Economic Development and Cooperation, the construction of eight specialized vocational education centers was commenced in the area of Baku State Vocational Training Center for Industry and Innovations*
- *Examinations were organized in regions and in Baku to diagnose the knowledge and skills of general education teachers working at primary vocational education institutions.*
- *834 general education teachers from 86 primary vocational education institutions participated in the diagnostic examinations in general.*
- *Proposals for activity indicators system based on the quantitative and qualitative criteria of the vocational education institutions were prepared*
- *a draft guideline was prepared about the establishment of an appropriate legal framework on the organization of training and retraining courses for vocational education institutions for elderly.*
- *18 modul/textbooks with the support of the UNDP and 9 modul/textbooks with the support of British Council were printed.*
- *In the 2017/2018 academic year, Ismayilli Vocational Training Center started training as a pilot in the "Arychi" specialty based on the results-based, module-structured curriculum developed within the UN Development Program.*
- *In order to provide a transparent monitoring and data base, the existing information infrastructure was developed and recommendations for improving the current reference and information infrastructure were prepared.*



# Execution status of the Strategic Road Map on the Development of Communal Services



## Targets



In determining the performance of the key executing bodies, measures implemented by the main implementing agencies of each organization were assessed as "1" points, partially implemented measures "0.5" points, and "0" points for the implemented actions, and the overall result is the overall performance of those institutions divided by the number. Thus, the specific measures taken in the Strategic Road Map for the Development of Municipal Services (Electricity and Heat Energy, Water and Gas) in the Republic of Azerbaijan are not taken into account in the activities that are responsible for evaluating the performance of key executing agencies.

\*\* The number of measures undertaken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map

# General Results For Priorities on the Development of Communal Services

68%

- performance indicator for 2017

<10% 10%—90% >90%

Performance status of priority				Main Performance Indicators ** "outcome" (by 2020)		"impact"
Establishment of an independent regulatory body and targeted fund, formation of effective service and recruitment mechanisms, staffing	91%	Minimizing all types of natural gas distribution losses	43%	Increasing productive capacity 1000 Wt, and its diversification	Reduction of distribution losses of water supply to 25%	growth of real GDP by 832 million manat
Increase of the national production portfolio reserve	55%	Expansion of drinking and wastewater infrastructure application	89%	increasing the net fuel efficiency for gas turbine stations by up to 50 percent	Reducing the share of registered users without counters to 5 per cent	Establishing 6645 new workplaces
Diversification of national production portfolio	79%	Minimizing losses, optimization of tariffs for water use and raising the efficiency of water consumption by attracting investments for the required infrastructure	75%	reduction of electric power loss level to 7% in Baku and 8% in regions	increase of waste water collection level up to 65%	
Review of the possibility of net electricity exports in short-term perspective	60%			Providing 50% of Georgia's, and 20% of Turkey's electricity import	Reaching 1767 thousand Gcal in thermal energy production	
Increasing the efficiency of power plants and effective use of existing potential	100%	Expansion of optimal thermal energy and hot water supply systems in the country by taking into account geographical, social and economic characteristics	83%	export of the amount of saved natural gas to Europe	increasing the number of residential buildings provided with heat by 50.4 percent	
Reduction of electricity losses, increasing the quality of electricity transmission and distribution	42%	Improving the normative-legal basis, taking institutional measures and optimization of heating tariffs	67%	Reduce technical losses by up to 8 per cent in natural gas distribution	increase of the income of the heat economy by 5.1 million manat	
Use of optimal mechanisms to increase productivity in consumption	80%	Evaluation and elimination of existing problems in the centralized heating supply system, ensuring the efficiency of the system	70%	reducing commercial losses in water supply by up to 14 per cent	Repair of the technically disordered heating supply system in about 550 residential buildings	
Creating effective regulation and auction mechanisms	50%					

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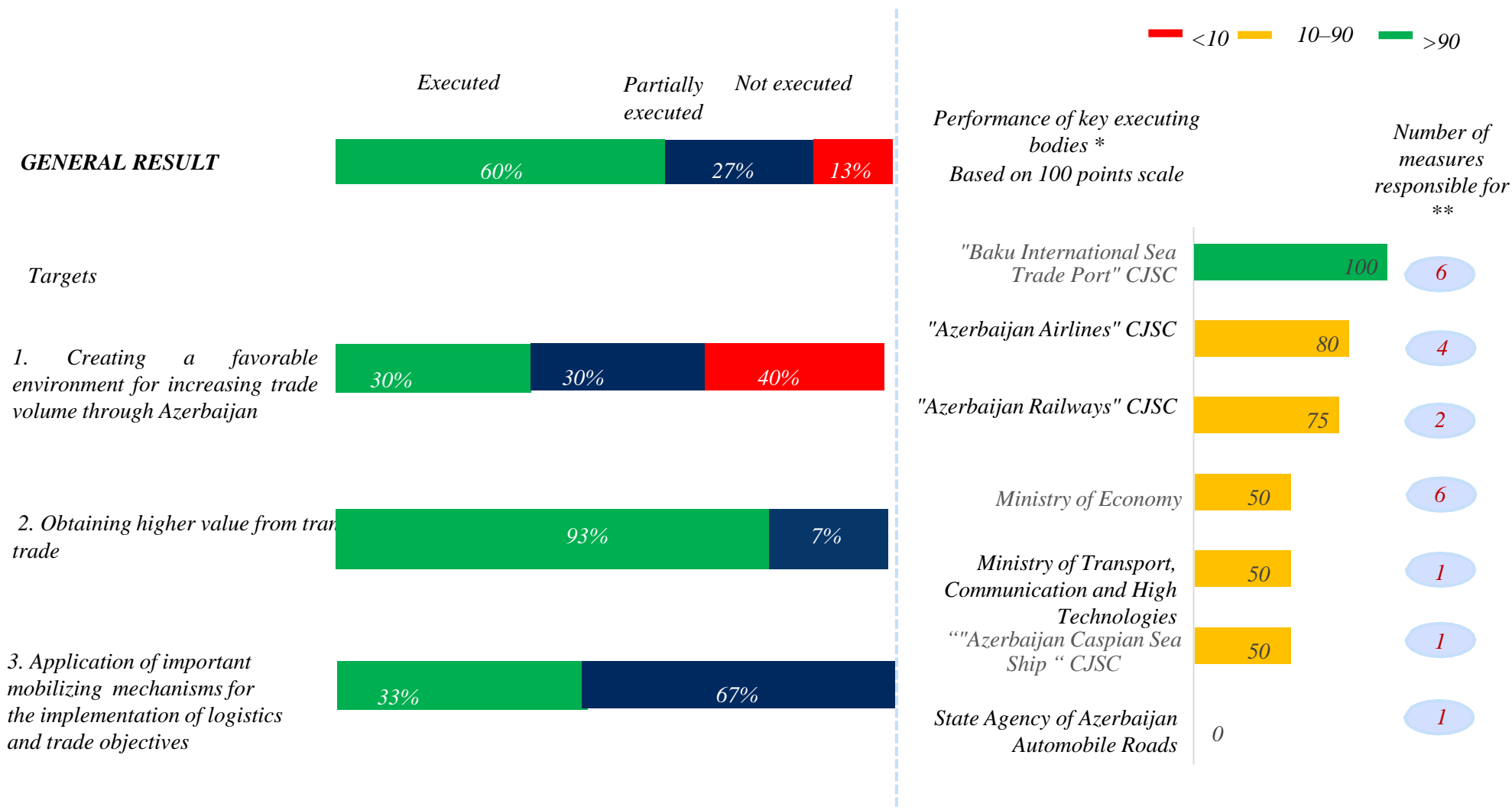
The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map.

\*\* Assessment on Impact indicator will be made in 2020

# *Key areas of progress on the Development of Communal Services*

- ✓ *Implementation of 55% of the measures identified in the "Strategic Road Map on the Development of Communal Services (Electricity and Heat Energy, Water and Gas) in the Republic of Azerbaijan" was completed in 2017, implementation of 25 %started, and 20 % was not commenced.*
- ✓ *By the Decree of the President of the Republic of Azerbaijan dated December 22, 2017, on the basis of State Energy Supervision Institution and State Gas Supervision Institution of the Ministry of Energy, under the subordination of the Ministry of Energy of the Republic of Azerbaijan, The Regulatory Agency of the Energy Issues with public legal entity status, was established and the Charter of the Agency was approved by that Decree.*
- ✓ *By the Decree of the Cabinet of Ministers of the Republic of Azerbaijan dated March 14, 2017, "The Method of Regulation of Mutual Payment Issues among the legal entities acting in the field of electricity and gas supply, whose shares (stocks) control envelope owned by the state, and Use of Deducted Funds" was approved. Accordingly, new automatic mechanism of the mutual payment issues among the legal entities acting in the field of electricity and gas supply, whose shares (stocks) control envelope owned by the state, was commenced.*
- ✓ *The State Agency for Alternative and Renewable Energy Sources of Azerbaijan defined the areas to be constructed for the 420 MW capacity in 2018-2020, the amount of investment to be invested and other required information. Prognostic prices for electric energy demand of the countries of the region, development of generating capacities, possible electricity prices were investigated. It was determined that electricity imports and exports programs in these countries and wholesale forecasting prices of electrical energy can make the export of electricity to these countries relevant.*
- ✓ *As a fundamental law determining the legal basis of production, transmission, distribution, consumption, purchase and sale of energy resources in the electricity sector, the new draft law of the Republic of Azerbaijan "On Electric Power Industry" was developed taking into account international experience and features of the national economy.*
- ✓ *The current state of the gas grid and gas losses were analyzed and a development plan was prepared to reach the required minimum level of gas losses.*
- ✓ *Compared to 2016, the amount of water delivered to the network in the year 2017 dropped by 35.5 million m<sup>3</sup> and the loss rate dropped by 0.8%.*

# Execution status of Strategic Road Map on the Development of Logistics and Trade



When determining the performance of the key executing bodies, the measures taken from the main implementing agencies of each organization were assessed as "1" score, "0.5" points for activities initiated, and "0" points, which were not executed, the total result was determined by the total number of actions divided by. Thus, the specific weight of the measures taken in the evaluation of the performance of key executing bodies in the "Strategic Road Map on Logistics and Trade Development in the Republic of Azerbaijan" was not considered.

\*\* The number of measures undertaken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map

# General Result for Priorities on Development of Logistics and Trade

73 %

Performance indicator for 2017

<10% 10%—90% >90%

Performance status of priority		Main execution indicators “outcome” (for -2020)	“impact”
Strengthening Azerbaijan's position as a regional logistics and trade hub	33%	Increasing the transit trade volume across the region and earning a share of the following indicators:  40 percent on Central Asia and the Black Sea route; 25 percent on Central Asia and Europe; 3 percent on China and Europe; 40 percent on Russia and Iran route; 25 percent on Iran and the Black Sea route	Real ÜDM-in 605 milyon artması
Completion of the project based on new Baku Harbor complex, the Baku-Tbilisi-Kars railway and the Astara-Astara railway located in Alat settlement	38%		18 900 yeni iş yerinin yaradılması
Improving logistics operations	67%		
Transformation of Baku as a regional trade hub	100%	Establishment of monitoring systems for project implementation and completion of projects	
Establishing trade-oriented processing centre	100%	Organization of an activity of Free trade zone by including logistics and port services of activity of the zone	
choosing appropriate locations and analyzing for establishing logistics and trade center	83%	Establishment of 5 or 6 logistics and shopping centers in Azerbaijan (four of these centers should be completed by 2020). The direct impact of the logistics and shopping center should be 20 per cent of the overall impact of regional logistics and trade interchange (based on 1.2 priority)	
raising participation level of private sector on logistic	67%	increasing percent net income by 5 from operations through airways	

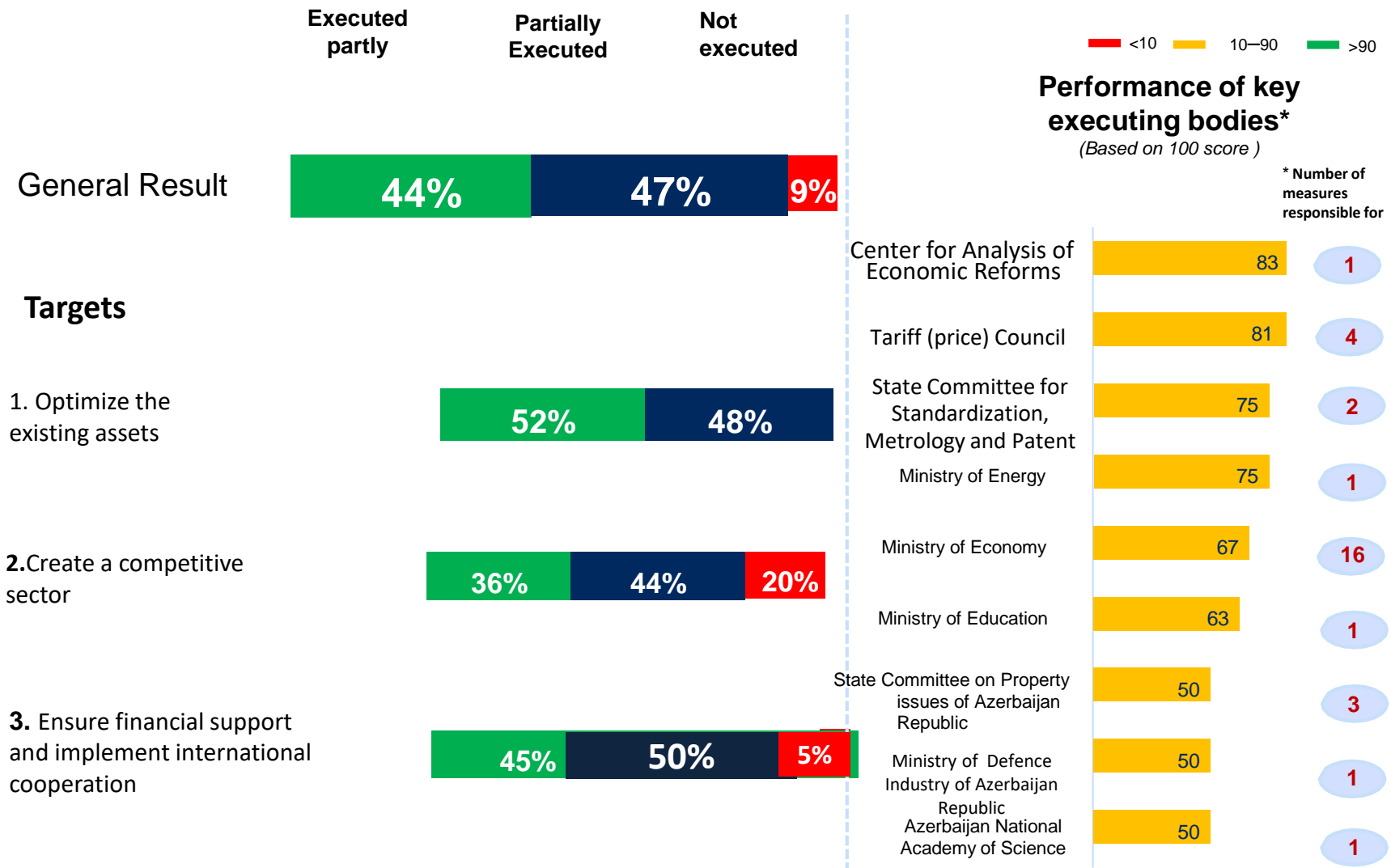
The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on the Detailed Strategic Road Map.

\*\* Assessment on Impact indicator will be made in 2020.

# *Key areas of progress Logistics and Trade*

- ✓ *The opening ceremony of the Baku-Tbilisi-Kars railway line was held at Baku International Sea Trade Port on October 30, 2017*
- ✓ *Gradually the transportation of cargo through the new Baku-Tbilisi-Kars railway was started.*
- ✓ *Proposals were made on logistics and shopping centers in Astara, Khachmaz, Gazakh and Yevlakh on the basis of information on establishing logistics and shopping centers in Baku and around the country.*
- ✓ *New airport complex called "Terminal 1" was commissioned at Heydar Aliyev International Airport.*
- ✓ *Buta Airways was established and the first low-cost flight was launched from September 2017.*
- ✓ *The technical feasibility study of Sumgait-Yalama section of the Yalama-Astara railway line was prepared and the reconstruction of this section was scheduled to commence in 2019.*

# Execution status of "Strategic Road Map on Development of Heavy Industry and Machinery Manufacturing"



In determining the performance of the main executing agencies, the overall result achieved by evaluating the "1" score, partially implemented measures "0.5" points and the non-performing measures "0" points were taken by the main executives of each organization. divided by the number. Thus, when evaluating the performance of key executing agencies, the specific weight of the measures taken in the "Strategic Roadmap for Development of Heavy Industry and Machinery Manufacturing in the Republic of Azerbaijan" was not taken into account. The number of measures taken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map.

# General Result for Priorities on Development of Heavy Industry and Machinery Manufacturing

68%

Performance indicator for 2017

<10% 10%–90% >90%

Performance status of priority		TARGET INDICATORS ” (2020-ci il üzrə)	Təsir ** “impact”
Boost productivity and efficiency of the sector	77%	Increase labor productivity by 20 percent in heavy industry sector;	Real GDP growth by 1 billion 560 million
Achieve optimal efficiency in energy use	80%	Decrease faulty goods in production of commodities by 17 percent;	Establishing 7700 new permanent jobs
Create a centralized registry of assets and existing capacity	50%	Ensure that at least 5 idle enterprises are revitalized and the production scope of 10 non-competitive enterprises is repurposed until 2020;	
Integrate along the value chain from regional demand perspective	50%	Establish a new iron ore extraction and steel processing plant;	
Support import substitution activities	67%	Substitute 20 percent of the currently imported products in heavy industry with domestic products providing that their quality is not substantially different from imported products;	
Develop mining industry and metallurgy complex	50%	Decrease the number of parts imported for the manufacturing of agricultural equipment by 65 percent;	
Develop service sector	50%	Decrease the overall market share of parts imported for the manufacturing of drilling equipment to 45 percent.	
Promote alternative financing mechanisms and transfer of experience	81%		
Ensure alignment with international standards and governance processes	63%		

\* The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on this Detailed Strategic Road Map.

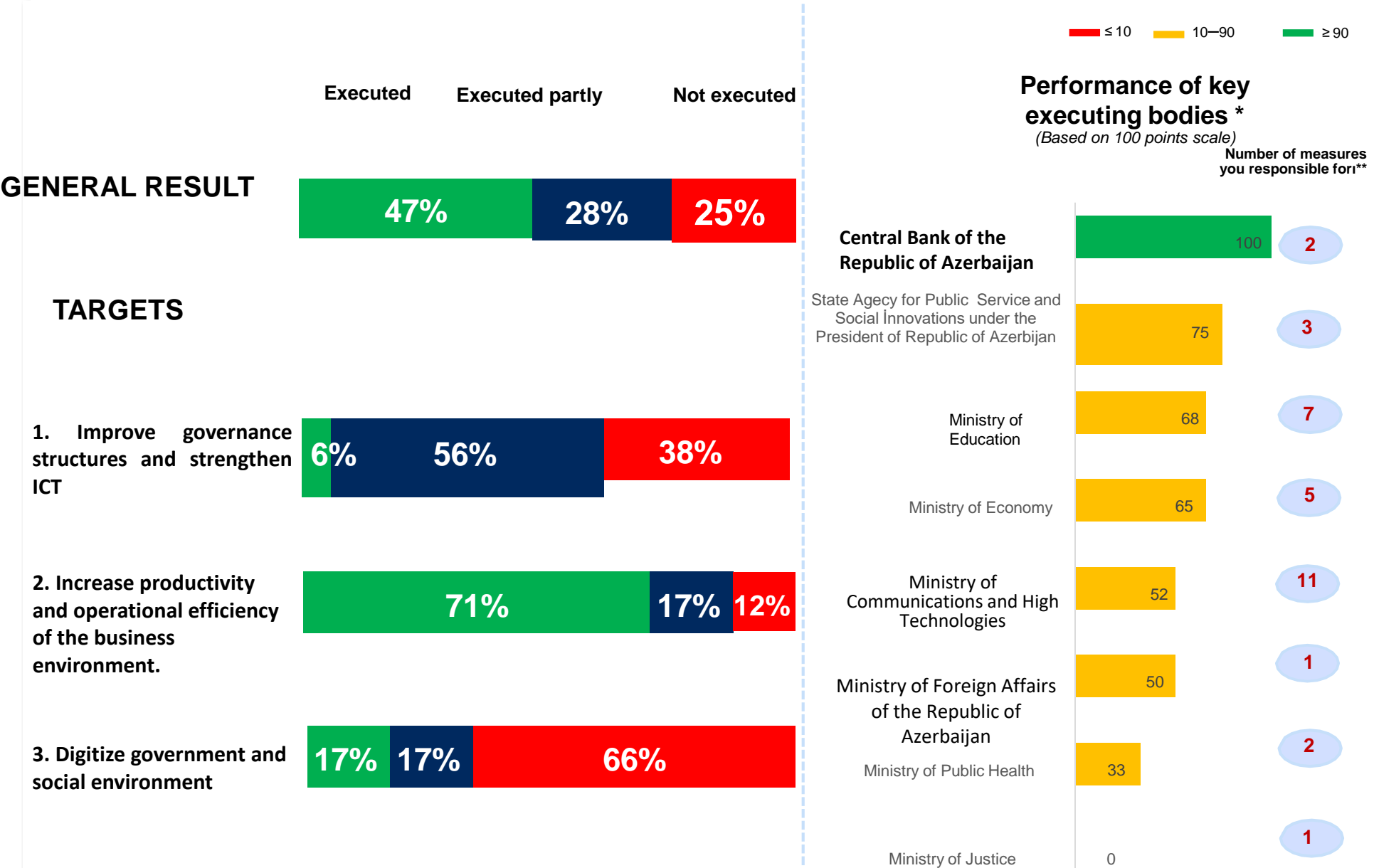
\*\* Assessment on Impact indicator will be made in 2020.



## ***Key areas of progress Strategic Roadmap for Development of Heavy Industry and Machinery Manufacturing***

- ✓ *Implementation of 447% of the measures envisaged by the "Strategic Road Map for the Development of Hard Industry and Machine Building in the Republic of Azerbaijan" by 2017 completed in 2017, 47% partially implemented and 9% not implemented.*
- ✓ *Discussions, seminars and conferences with the participation of representatives of science and industry were held in order to analyze reliable methods of production, international experience was studied. International experience in establishing a model enterprise has been studied, meetings with international experts have been conducted, examples of models that serve to increase productivity in heavy industry and machine building sectors were investigated.*
- ✓ *Based on the findings, "Methods of Saving Production", "Instruments of Saving Production System", "Methodology for Establishing a Model Enterprise by Using Balanced Production Methods", "Methodology for Establishing a Model Business in Azerbaijan for the Benefit of SMEs" was prepared. In addition, three enterprises were selected as pilot models in metallurgy, mechanical engineering and automotive industries.*
- ✓ *Several studies were carried out to study the international experience in the field of forecasting and planning of energy balance. The experience of the countries of the region on the use of electricity in different hours of the day was studied and the relevant statistical report was prepared. A list of state enterprises and natural resources (resources) were developed to create a central register of non-used assets and natural resources.*
- ✓ *Taking into account the domestic production capabilities and regional demand, a number of analyzes were conducted with the production potential of our country, as well as markets of the countries of the region, with the main trade indicators, with high demand for regional imports, and products that have high import demand in the markets of the countries of the region. In addition, certain investigations were made on competitive products to better identify the production potential and export opportunities of the relevant products throughout the country.*
- ✓ *To promote services in the mining industry, local enterprises operating in the mining sector and their services were identified and lists were prepared. [www.enterpriseazerbaijan.com](http://www.enterpriseazerbaijan.com) was developed and invested into various investment projects for the purpose of creating an investment data bank.*
- ✓ *Draft amendments to a number of normative legal acts were developed and approved aimed at further improving the position of the Republic of Azerbaijan in Doing Business and some other international reports.*

# Execution status of SRM on Development of Telecommunications and Information Technologies



\*In determining the performance of the key executing bodies, measures implemented by the main implementing agencies of each organization were assessed as "1" points, partially implemented measures "0.5" points, and "0" points for the implemented actions, and the overall result is the overall performance of those institutions divided by the number. Thus, the specific weight of the measures taken in the evaluation of the performance of key executing bodies in the "Strategic Road Map on Development of Telecommunication and Information Technologies in the Republic of Azerbaijan" was not taken into account.

\*\* The number of measures undertaken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map

# General Result for Priorities on Development of Telecommunications and Information Technologies

■ ≤ 10% 
 ■ 10%—90% 
 ■ ≥ 90%

61%

Performance indicator for 2017

Performance status of priority		TARGET INDICATORS (2020-ci və 2025-ci illər üzrə)		Təsir ** “impact”
Establish an independent regulatory body	50%	Increase LTE and other wireless technology-based broadband coverage up to 70 percent in 2020 extending it by 10 percent every year, 85 percent in 2025 and 100 percent in post 2025 period	Increase the specific share of cashless transactions from current 8 percent in 2016 to 30 percent until 2020, to 50 percent in 2020-2025 and to 80 percent in post 2015 period;	Increase in real GDP by 235 mln manat
Liberalize telecommunication market	38%	Increase consumer spending on mobile connections from current 0,37 percent to 1,41 percent of per capita consumer spending;	Increase the share of POS cashless transactions from current approximate 1 percent to 8-9 percent;	Creation of 1450 new jobs
Increase mobile infrastructure investments	0%	Keep mobile subscriber numbers at least at current level until 2020;	Increase the volume of POS transactions from AZN 400 million to AZN 2,7 billion;	
Extend digital payments	100%	Increase broadband coverage up to 70 percent in 2020 and 95 percent in 2025 with its further extension in the following years by replacing broadband internet services, which are offered based on copper wire line infrastructure, with fiber technology based services (FTT-X standards);	Increase employment rate of higher education IT graduates from current 43 percent to 60 percent in 2020;	
Extend technology-based operations in business environment	63%			
Upgrade technology education with the involvement of businesses	58%	Increase the number of international gateways operators from current 2 to at least 3 operators in 2020 and continue increasing this number in post 2020 periods;	Create AZN 55 million savings in government budget spending through improving information systems in governmental organizations;	
Improve electronic systems of government institutions	95%			
Increase knowledge and skills in ICT sector, apply ICT in education system	83%	Increase fixed broadband connection speed per each user from the current average speed of 3,6 Mbit/s to 20 Mbits/s in 2020 and to 50 Mbits/s in 2025, and reach the level of developed countries in post 2025 period;	Create AZN 60 million savings in government budget spending and 7% savings in healthcare spending through deploying integrated and end-to-end electronic healthcare infrastructure	
Improve information systems of governmental	17%	Enhance e-government development up to the level of developed countries		
Create an end-to-end integrated e-health infrastructure	33%	Increase e-signature penetration in internet and mobile banking systems from current 20 percent in 2016 to 80-100 percent in 2020		

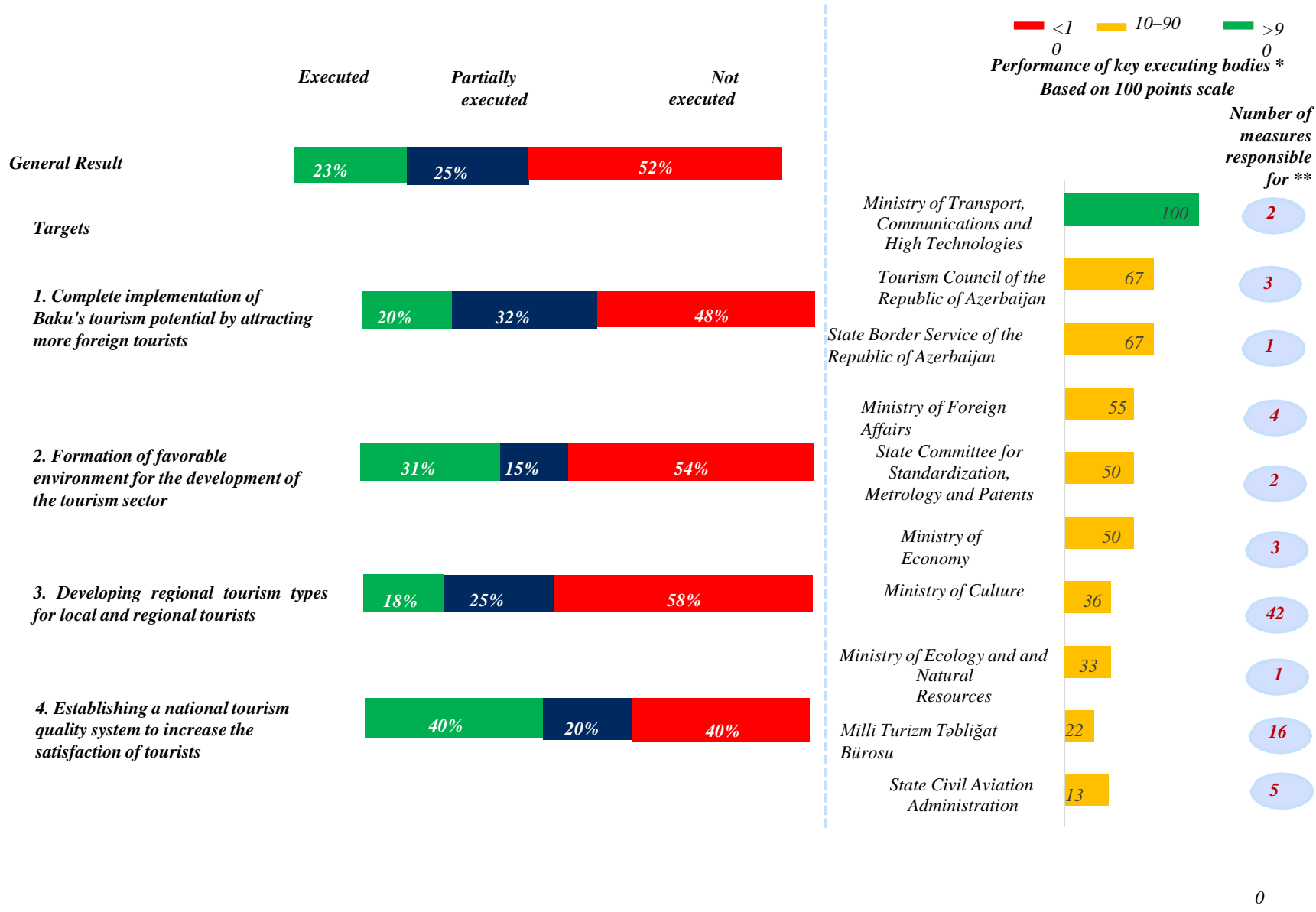
In determining the performance of the main executing bodies, measures implemented by the main implementing agencies of each organization were assessed as "1", partially implemented "0.5" points, Assessed with the score of "0", the total result is divided by the total number of events that are the main executives of those institutions. So, the performance of key executing agencies in the Strategic Road Map on the Development of Telecommunication and Information Technologies in the Republic of Azerbaijan. weight was ignored.

\*\* The number of measures undertaken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map

## ***Key areas of progress on Strategic Roadmap for Development of Telecommunications and Information Technologies***

- *In 2017, implementation of 477 of the measures envisaged in the "Strategic Road Map on Development of Telecommunication and Information Technologies in the Republic of Azerbaijan" completed by 2017, 28% was partially implemented, and 25% were not implemented.*
- *A number of studies were conducted to study the experiences of countries with successful outcomes in the telecommunications sector and to introduce them in Azerbaijan.*
- *The TASIM operators welcomed the proposals made by our country on the establishment of a joint budget for detailed feasibility study to implement the TASIM project, as a result of joint discussions, a set of technical specifications was prepared for feasibility study.*
- *Investigation and analysis of the copper raw material used in the cables removed from exploitation as a result of the reconstruction were carried out, by 2020 the forecast and forecast of the raw materials to be discharged from the network, as well as the projections for the acquired materials were prepared.*
- *MasterCard Worldwide international card organization was involved as a consultant for the broad diagnostics of high cash supply in the country's economy, the reduction of cash circulation in the economy and the development of non-cash payments.*
- *A digital dual software program was developed to investigate common ways of migrating from digital money to macro / micro factors, national payment strategies and current payment ecosystems, cash payments.*
- *eGov 2.0 was developed a mobile government concept (mGov) concept. A project on the creation of "Cloud Cloud" (G-Cloud) was developed. Based on the analysis of reform trends in the development of digital education, a draft program for ICT infrastructure development of educational institutions was developed.*
- *50 educational institutions were involved in the "Electronic school" project. Within the project, measures were taken to train pedagogical staff, ICT infrastructure development, E-School Management Program and Parental Control System, and e-learning resources.*
- *Establishment of ICT academies at Baku Engineering University and Azerbaijan State Oil and Industrial University was begun with the mechanisms of students' ICT skills assessment.*

# Execution status of Strategic Road Map on the Development of Specialized Tourism Industry



In determining the performance of the main executing agencies, the overall result achieved by evaluating the "1" score, partially implemented measures "0.5" points and the non-performing measures "0" points were taken by the main executives of each organization. divided by the number. Thus, while evaluating the performance of key executing agencies, the specific weight of the measures taken in the "Strategic Road Map on the Development of Tourism Industry in the Republic of Azerbaijan" was not taken into account.

\*\* The number of measures undertaken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map

# General Results For Priorities on Development of Specialized Tourism Industry

36%

- performance indicator for 2017

■ <10%
 ■ 10%–90%
 ■ >90%

*Performance status of priority*

\*

*Main  
Performance  
Indicators \*\*  
"outcome" (by  
2020)*

*"impact"*

*Establishment of the National Tourism Propaganda Bureau and firstly ensuring its activities in Baku*

37%

*Improving air communication with key demand markets*

17%

*Bakıda xarici ölkə vətəndaşları üzrə gecələmələrin sayının 3,65 milyon gecəyədək artırılması*

*increasing real GDP by 465 million pounds in 2020*

*Renewal of attractive tourist destinations and tourist service packages in Baku*

32%

*Re-forming of the demand for health tourism*

50%

*Increasing the average stay of each tourist from 2 days to 3 days*

*creating 35,000 new work places*

*Organising Propaganda-campaign events on Baku city*

17%

*Development of winter tourism support*

17%

*Increasing the number of foreign citizens placed in Baku to 0.9 million*

*Development of tourism infrastructure of Baku city, including hotel and attractive tourist destinations at affordable prices*

57%

*Creating cultural tourism routes*

0%

*increasing the number of unplaced foreign citizens to 1.5 million*

*Organizing the activities of the Tourism Council*

31%

*Supporting the development of business tourism*

32%

*gradually bringing low budget tourism indicator up to 265,000*

*Establishment of tourism and recreational zones (TRZ)*

67%

*Strengthening sustainable tourism potential (ecotourism, rural tourism, etc.)*

50%

*Increasing the use of health facilities up to 65 percent*

*Development of tourism service infrastructure for local and foreign tourists, which eliminates seasonal problems in tourism at the regional level*

25%

*Investment in educational programs in tourism*

57%

*Attract More than 180 Thousand Tourists to the settlements on Greater Silk Road and other cultural tourism routes*

*Simplification and acceleration of visa clearance procedures and border crossing procedures*

65%

*Improving the standardization and certification system in the field of tourism*

33%

1

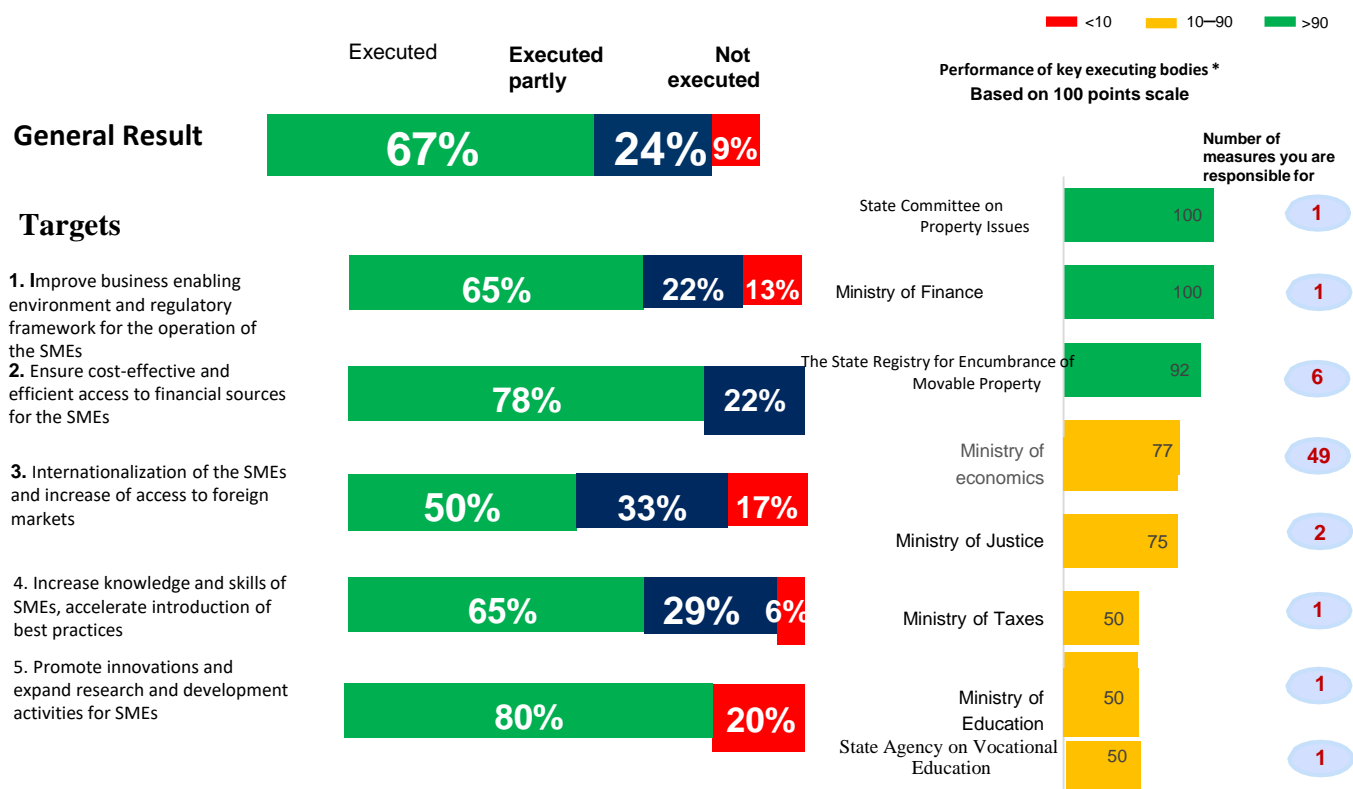
*The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on this Detailed Strategic Road Map.*

*\*\* Assessment on Impact indicator will be made in 2020.*

## ***Key areas of progress on Development of Specialized Tourism Industry***

- ❖ *Baku trade festivals were held from 10 April to 10 May and 10 May and 15 October to 15 November 2017.*
- ❖ *The National Fund for Entrepreneurship Support of the Azerbaijan Republic allocated 2 million manat for the tourism sector in 2017 and 10 million manat allocation of funds was planned for 2018.*
- ❖ *By the decision of the Ministry of Culture and Tourism of the Republic of Azerbaijan dated on February 6, 2017, under the subordination of the Ministry of Culture and Tourism, legal entity "National Tourism Propaganda Bureau" was established and the charter was approved*
- ❖ *The portal [www.azerbaijan.travel](http://www.azerbaijan.travel) was completely redesigned and put into service by taking into account modern innovations (design, adaptation of the portal to mobile phones and tablets, updating the database).*
- ❖ *40 business forums on "Concessional lending of entrepreneurship" were held in the regions and Baku with the participation of representatives of local executive authorities, authorized credit organizations and entrepreneurs and 3800 entrepreneurs took part in these forums.*
- ❖ *Information about visa procedures was posted on the websites of the Ministry of Foreign Affairs and embassies and information about electronic visa and ASAN Visa system was reported to travel agencies*
- ❖ *13 more states were added to the ASAN Visa system in April and May 2017 to improve the e-visa issuance process.*
- ❖ *6 trainings were held on customer satisfaction and increasing knowledge of foreign languages for military servicemen serving at border checkpoints.*

# Execution status of "Strategic Road Map on production of consumer goods at the level of small and medium entrepreneurship"



\*In determining the performance of the key executing bodies, measures implemented by the main implementing agencies of each organization were assessed as "1" points, partially implemented measures "0.5" points, and "0" points for the implemented actions, and the overall result is the overall performance of those institutions divided by the number. Thus, the specific weight of measures taken in the evaluation of the performance of key executing bodies in the Strategic Road Map on the Production of Consumer Goods at the Level of Small and Medium Enterprises in the Republic of Azerbaijan was not taken into account.

\*\* The number of measures taken by the relevant agencies includes the measures envisaged to be implemented in 2017 for this Detailed Strategic Road Map.



# General Result for SRM on Production of Consumer Goods at the level of Small and Medium Entrepreneurship

79%

- Performance status for 2017

<10% 10%—90% >90%

Performance status of priorities				TARGET INDICATORS ” (For 2020)	“impact”
Establish centralized SME Registry	100%	Establish SME Credit Guarantee Fund	100%	Increase the SME contribution to products produced within industrial clusters to 40%	real GDP growth by 1 billion 260 million AZN in 2020 Creating 34,240 new jobs
Improve SME-specific legislative framework and introduce legislative impact analysis	33%	Improve activities related to property issues and increase access to finance	100%	Increase the indicators of pre-court dispute resolution among the SMEs twice;	
Deepen public-private partnership	94%	Develop leasing and alternative financial instruments (forward, futures, option, swap, factoring, etc.) market to ease access to finance	80%	Increase recovery rate of the SMEs (from insolvency) to 4percent;	
Improve competitive environment	67%	Expand financial services for international trade deals of SMEs and promote direct foreign investments	63%	2 times increase in acceptance of movable property as collateral by banks	
Improve inspection and licensing mechanisms for operation of the SMEs and continue tax reforms	75%	Establish sector-based export associations	75%	Increase the share of leasing transactions in GDP to 2 percent;	
Establish SME-specific special industrial zones and clusters	58%	Develop business incubators and startup projects, create model factory	88%	Achieve 5 percent increase in non-oil economy;	
Expand public-private partnership and strengthen institutions representing the SMEs	90%	Increase training and education options for SMEs, accelerate introduction of best practices	77%	Establish 3-5 model enterprises;	
Improve alternative dispute settlement options among the SMEs	100%	Promote entrepreneurship mindset	50%	Establish 5 new business incubators;	
Introduce criteria for identification of the SMEs in all support measures and introduce systemized mechanism for statistical data	50%	Develop female entrepreneurship	83%	Launch at least 25 startup projects throughout a year	
Conduct reforms to solve winding-up and insolvency issues	75%	Improve national innovation system	100%	Organize special trainings for at least 1000 small and medium entrepreneurs throughout a year;	
		Form innovation infrastructure stimulating small and medium- sized enterprises	50%	Establish 3 innovation-oriented regional clusters.	

The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on this Detailed Strategic Road Map.

\*\* Assessment on Impact indicator will be made in 2020.

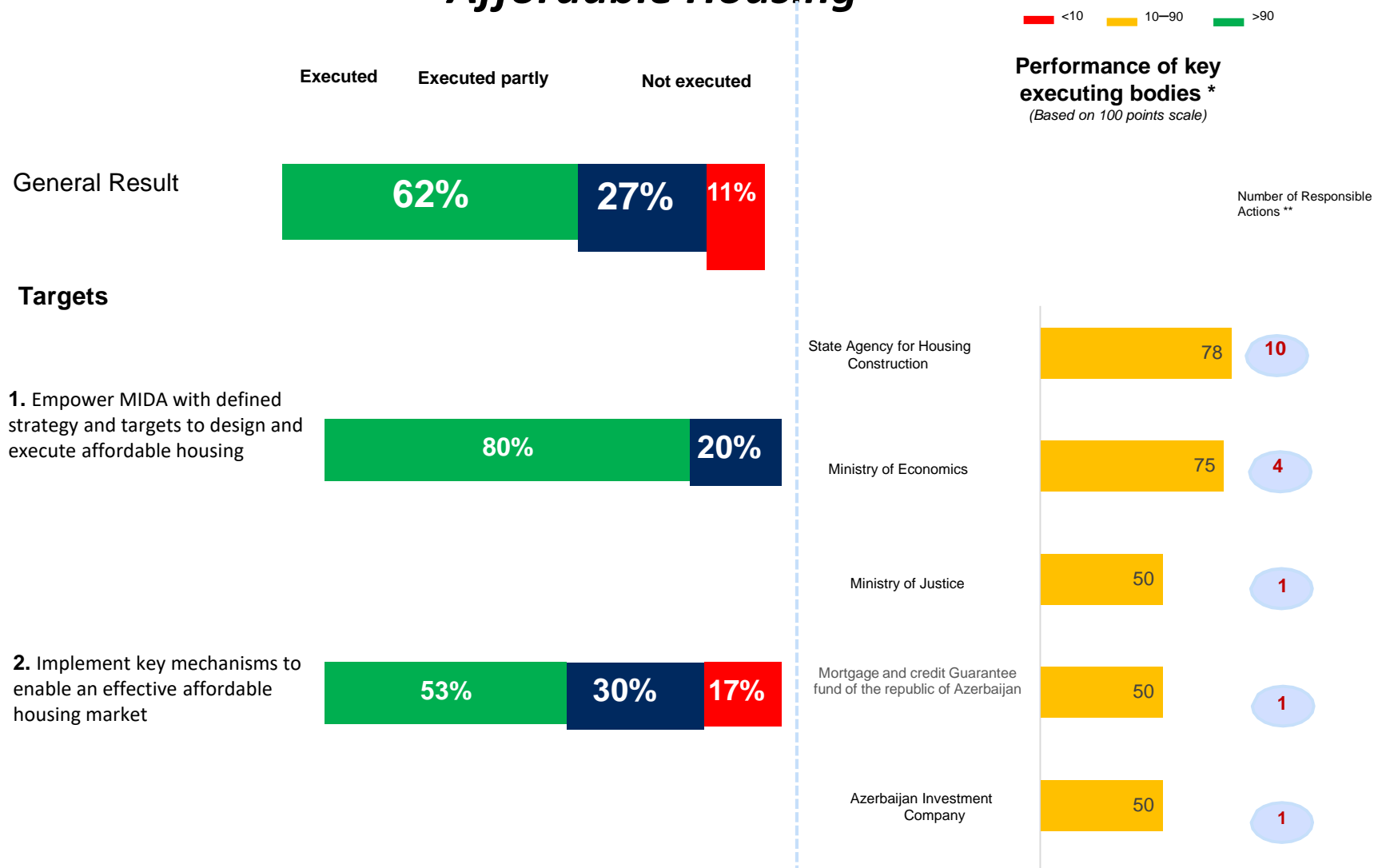
## **Annual monitoring and evaluation report on 2017 on the Production of consumer goods at the level of small and medium entrepreneurship-1**

- ✓ *In 2017, implementation of 67% of the measures envisaged by the "Strategic Road Map for Consumer Goods Production at the Level of Small and Medium-Size Enterprises of the Republic of Azerbaijan" completed by 2017, 24% was partly implemented and 9% were not implemented.*
- ✓ *The Small and Medium Entrepreneurship Development Agency of the Republic of Azerbaijan was established under the Decree of the President of the Republic of Azerbaijan No 1771 of December 28, 2017 under the subordination of the Ministry of Economy of the Republic of Azerbaijan. The agency is a legal entity that supports the development of small and medium-sized businesses in the country, provides a range of services to the SME subjects and coordinates and regulates the services of state bodies in this area.*
- ✓ *E-services, including information and awareness raising, e-registration and other services, were developed and developed in portals operating in different countries to create a single data portal.*
- ✓ *The experience of different countries were studied and analyzed. In addition, a number of draft normative legal acts were drafted to determine the minimum contribution of SMEs to public procurement. Taking into consideration international experience in improving the competitive environment, the drafting of the new Competition Code was continued.*
- ✓ *Inspections carried out in the field of entrepreneurship by the Law of the Republic of Azerbaijan No 845-VQD of October 31, 2017 "On Making Amendments to the Law of the Republic of Azerbaijan" On Amendments to the Law of the Republic of Azerbaijan "On Suspension of Entrepreneurship Supervision" was again ceased up to 1 January 2021.*
- ✓ *In order to determine the legal status of business associations in our country and to draft a separate legislative act regulating their activities, legislation and international experience were studied in order to improve the normative legal framework, draft relevant normative legal acts have been prepared.*
- ✓ *Association of Building Materials Manufacturers, Association of Packaging Industry of Azerbaijan, Association of Furniture Manufacturers, Azerbaijan Textile Producers and Exporters Association, Date of Manufacturers and Exporters Association, Azerbaijan Tobacco Producers and Exporters, with the initiative of entrepreneurs and related organizations "Association of Women Entrepreneurship Development" and "Tea Producers and Exporters Association" were established.*

# **Annual monitoring and evaluation report on 2017 on the Production of consumer goods at the level of small and medium entrepreneurship-2**

- ✓ *Legislative practices of different countries were analyzed and recommendations were developed to improve the alternative dispute settlement capabilities, as well as the legislation on bankruptcy and the establishment of the bankruptcy register.*
- ✓ *By the Decree of the President of the Republic of Azerbaijan dated December 25, 2017, "Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan" was established. The Rules defining the scope of activity of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan was approved by Decree No. 1691 of the President of the Republic of Azerbaijan dated November 29, 2017. Relevant regulations were drafted on the formation of state register of movable property.*
- ✓ *International experience was studied to create a model enterprise in Azerbaijan for the benefit of SMEs, "The methodology of creating a model enterprise by using robust production methods", "Methodology for modeling enterprise modeling in Azerbaijan for the benefit of SMEs were developed" Also, drafts of relevant normative legal acts were developed to establish a model enterprise, taking into account international experience.*
- ✓ *Relevant proposals were made to support the development of women entrepreneurship in the country, based on the analysis of women's entrepreneurship as well as the current state of women's employment in rural areas, as well as international experience.*

# Execution status of Strategic Road Map on Development of Affordable Housing



·In determining the performance of the main executing agencies, the overall result achieved by evaluating the "1" score, partially implemented measures "0.5" points and the non-performing measures "0" points were taken by the main executives of each organization. divided by the number. Thus, while evaluating the performance of the key executing agencies, the specific weight of the measures under which they are responsible was not taken into account in the "Roadmap for Strategic Road Map Development for Affordable Housing in the Republic of Azerbaijan".

The number of measures taken by the relevant agencies includes the measures envisaged to be undertaken in 2017 for this Detailed Strategic Road Map.

# General Result for on Development of Affordable Housing

76%

- Performance status for 2017

<10% 10%–90% >90%

Performance status of priorities		Target Indicators “outcome” (For 2020)			impact
Clarify MIDA's organizational structure, duties and support areas	94%	Clarify MIDA's organizational structure, duties and support areas, develop and implement affordable housing projects	Achieving 10% reduction in project implementation costs by using idle public lands for housing development	Provide opportunities for saving more than 10 % of the project costs through enhancing competitiveness	Real GDP growth by 249 million AZN
Define affordable housing targets and government support mechanisms	86%	Establish an effective organizational structure and prepare a development plan and also ensure opportunities to fulfill the duties that are specified in the Charter of MIDA	Level of selection of beneficiaries from targeted social groups and number of beneficiaries from classified social groups;	Number of domestic and international construction companies participating in the tendering process,	Creating 10,000 new jobs
Identify land parcels and transfer ownership to MIDA LLC	67%	Ensure that most of the services provided by MIDA LLC are channeled through the e government portal	Provide 10% of the families, which are included in the selected social groups, with housing units over the next 10 years	Define the ratio for using budgetary allocations for the housing projects implemented by MIDA LLC, with the goal of ensuring efficient use of public funds, and use the ratio as a KPI	
Define beneficiaries of public housing fund	73%	Number of housing units provided by MIDA LLC;	Reduce urbanization problems,	Define the ratio of use of mortgage funds by low-income families and use the ratio as a KPI,	
.Build both domestic and international private-sector partnership	33%	Average construction period of housing units	Improve housing conditions for IDPs and refugees who have not been provided with housing units so far,	Total number of mortgages granted by AMF OJSC for the housing units that sold by MIDA LLC to beneficiaries,	
Ensure an effective mortgage lending market	75%	Number of buyers,	Attract foreign investments to the construction sector across the country	Joint review of matching the selection criteria of AMF OJSC and MIDA LLC.	
		Involvement of 5 % of the idle lands during the implementation of the Strategic Roadmap,	Accelerate the application of international best practices,		

The implementation status of the priorities includes the measures envisaged to be undertaken in 2017 on this Detailed Strategic Road Map.

\*\* Assessment on Impact indicator will be made in 2020.

## ***Annual monitoring and evaluation report on 2017 Development of Affordable Housing***

- ✓ In 2017, implementation of 62% of the measures envisaged by the Strategic Road Map for the Development of Housing Provision in the Republic of Azerbaijan for 2017 was completed, 27% partially implemented, and 11% not implemented.
- ✓ Directions for perspective development of "MİDA" LLC was defined, structure optimized, changes in staff schedule and new jobs created. Perspective Development Strategy of "MİDA" LLC was approved.
- ✓ The agency's 4-year budget forecast was developed on the drafting of housing construction and the draft state program has been prepared.
- ✓ The Charter of the State Agency for Housing Construction was approved by the Decree of the President of the Republic of Azerbaijan No 1819 of February 7, 2018.
- ✓ The categories of citizens who have the right to access expanded. Thus, "at least 15 years of public service, including the service of a special type of civil service," was amended in the "Affordable Housing" system, and the admission of citizens' applications which started on 24 July 2017.
- ✓ According to the Decree of the President of the Republic of Azerbaijan No.1113 of November 16, 2016 "On the Order of the Citizens Acquisition of Apartments by the State Agency for Housing Construction under the President of the Republic of Azerbaijan" distribution of houses in the electronic system was conducted through the "Affordable Housing" system.
- ✓ Decree of the President of the Republic of Azerbaijan No 1418 dated May 24, 2017 "Statute on the preferential housing" was approved. The "Affordable Housing" system was established on the "E-government" portal and started operating on May 30, 2017. Citizens who have the right to obtain apartments at the disposal of the Agency was publicly disclosed and responded to the questions of citizens and provided them with additional information at ASAN service centers (1, 3 and 5 in Baku city, as well as Sumgayit ASAN service centers)
- ✓ Mechanisms for implementing the housing affordability mechanism in the form of public sector and public-private partnership models was identified. In the construction of Yasamal residential complex, which is the first project of the agency, the model of public-private partnership is also used. Relevant work was done to attract private investment companies within the framework of "public-private partnership", one of the possible implementation models. Thus, Yasamal, the first project of the Agency in 2017, construction of 3 residential buildings in the Housing Complex, establishment of communication infrastructure and provision of relevant services to the residents, as well as 3 investment contests were held on the design, construction and management of the shopping center and contracts with the winning companies were signed.
- ✓ At the same time, taking into account the perspectives of the Agency, the number and scope of the projects to be implemented in the future, the work on the state-private partnership, including the expansion of business with investors and the organization of international standards, has begun. Various investigations have been conducted regarding the mortgage market development.

Thank you for your attention!