



**MONITORING AND EVALUATION
REPORT**
**of "Strategic Road Maps on the national economy and
key sectors of the economy
in the Republic of Azerbaijan"
for 2017-2020**



Center for Analysis of Economic Reforms and
Communication of the Republic of Azerbaijan

“IN CONNECTION WITH THE IMPLEMENTATION OF STRATEGIC ROAD MAPS, IT WAS REPORTED THAT THEIR IMPLEMENTATION HAS REACHED 52 PERCENT IN TWO YEARS. THIS GIVES US GROUNDS TO SAY THAT THIS IMPORTANT PROGRAM WILL BE COMPLETED BY THE END OF 2020 AND THUS WE WILL ACHIEVE PROGRESS IN ALL AREAS. BECAUSE THE ISSUES ALREADY REPORTED ON SHOW THAT VERY SERIOUS STEPS ARE BEING TAKEN IN EACH AREA. OUR BUDGET REVENUES ARE GROWING, THE MACROECONOMIC SITUATION IS STABLE, THE REFORMS ARE BEARING FRUIT, AND THE BUSINESS ENVIRONMENT IS IMPROVING. IN OTHER WORDS, WE ARE SEEING SUCCESSFUL RESULTS OF REFORMS IN ALL AREAS.”

ILHAM ALIYEV,

President of the Republic of Azerbaijan,

At the meeting of the Cabinet of Ministers dedicated
to the results of the first quarter of 2019 and
future tasks



CONTENTS

■ EXECUTIVE SUMMARY	5
▣ Strategic Road Maps have achieved their main goals	6
▣ Achieved results in Macroeconomics	8
▣ Execution status of Strategic Roadmaps for 2017-2020	9
■ IMPLEMENTED TASKS AND ACHIEVED RESULTS IN THE FIELD OF KEY SOCIO-ECONOMIC DIRECTIONS	10
▣ Achieved results in the field of financial services	11
▣ Achieved results in the field of improving business environment	13
▣ Information on customs concessions	17
▣ Concessions and exemptions in taxes 2016-2021	19
▣ Implemented tasks in non-oil industry	25
▣ Key achievements in the field of agriculture during 2016-2021	28
▣ Achieved results in utilities sector	30
▣ Measures taken in the field of human capital and development of education	31
▣ Institutional reforms implemented during 2016-2021	33
▣ Reforms on the affordability of citizens' housing, financial well-being and social sector	35



CONTENTS

■ DETAILED EXECUTION STATUS OF THE STRATEGIC ROADMAPS FOR NATIONAL ECONOMY AND KEY SECTORS OF THE ECONOMY FOR 2017-2021	47
▣ Strategic Roadmap for National Economy Perspective of the Republic of Azerbaijan	48
▣ Strategic Roadmap for Development of Heavy Industry and Machinery Manufacturing in the Republic of Azerbaijan	55
▣ Strategic Roadmap for Development of Utilities Services (electric energy, heating, water and gas) in the Republic of Azerbaijan	59
▣ Strategic roadmap for the production of consumer goods in Azerbaijan at the level of small and medium entrepreneurship	67
▣ Strategic Road Map for the manufacture and processing of agricultural products	75
▣ Strategic Roadmap for development of logistics and trade in the Republic of Azerbaijan	89
▣ Strategic Roadmap for Development of Financial Services in the Republic of Azerbaijan	93
▣ Strategic Roadmap for Development of Affordable Housing in the Republic of Azerbaijan	99
▣ Strategic Roadmap for Vocational Education and Training in Azerbaijan Republic	102
▣ Strategic Roadmap for Development of Telecommunications and Information Technologies in Azerbaijan Republic	106
▣ Strategic Roadmap for development of logistics and trade in the Republic of Azerbaijan	111



EXECUTIVE SUMMARY



STRATEGIC ROAD MAPS HAVE ACHIEVED THEIR MAIN GOALS

- **The Strategic roadmaps have achieved their main goals** under the leadership of President Ilham Aliyev: Azerbaijan's economy **has stabilized in the short term** by shaking off the negative impact of external shocks in 2015-2016, and the **development has been restored in the medium term**. As a result, in 2020, despite the effects of low oil prices, drought, pandemic and the Great Patriotic War, the immunity gained by the Azerbaijani economy allowed to minimize the effects of the crisis.
- The goal has been set to ensure an average annual real growth of more than 3% of GDP by 2025. Thus, **real GDP growth in the country this year is at 5.1 percent**, non-oil GDP growth at 6.0 percent, and **economic growth is forecasted to be 3.9 percent next year**.
- As a result of the successful implementation of strategic roadmaps, exports in the non-oil sector increased from **\$170 per capita in 2015 to \$260 this year suggests that the target of \$ 450 in 2025** can be achieved.
- Strategic Road Maps on national economy and key sectors of the economy, approved on 6 December 2016 are framework documents that define the parameters for the organization and coordination of economic reforms implemented by the President of the Republic of Azerbaijan.
- 400 experts have been involved for the development of Strategic Road Maps on national economy and key sectors of the economy, 29 different events, 150 meeting have been held, all groups of society, rural regions, higher education institutions, academic circles, business representatives, non-governmental organizations have been involved.
- All institutional reforms for 2016-2021 have been implemented under the order of the **President of the Republic of Azerbaijan and First vice-president of the Republic of Azerbaijan**.



STRATEGIC ROAD MAPS HAVE ACHIEVED THEIR MAIN GOALS

- **Social reforms** implemented during 2017-2021 have been implemented by relevant bodies under the order of the President of **the Republic of Azerbaijan and First vice-president of the Republic of Azerbaijan**.
- All tasks specified in the Strategic Road Maps for the national economy and key sectors of the economy have been implemented **in accordance with the relevant instructions of the President of the Republic of Azerbaijan** by preparing and coordinating additional state programs, action plans and other documents by the Cabinet of Ministers and other government agencies.
- Within the framework of the Strategic Road Maps of national economy and key sectors of the economy, action plan for 2016-2020 have been prepared and approved, also long-term review till 2025 and target review for the cycle after 2025 have been determined. Because of the incompleteness of the new action plan due to the pandemic, the implementation of the **Strategic Road Maps for the national economy and key sectors of the economy** continued in 2021.
- Currently, socio-economic development strategy of the country for 2022-2026 and action plan have been prepared and presented by the government, pending for approval. With the approval of the new strategic document and action plan, execution period for the Strategic Road Maps on the national economy and **key sectors of the economy are considered finished starting from 1 January 2022**.
- **No additional funds have been allocated** from the state budget for the preparation, implementation, monitoring and evaluation of the Strategic Road Maps for the national economy and key sectors of the economy, and government agencies carried out all activities within the budget allocated to them.



ACHIEVED RESULTS IN MACROECONOMICS

Name of the indicator	January-December 2016, actual	January-December 2021 (actual)	Nominal increase, decrease	
			Amount	Percent
Gross domestic product, in million manats	60,425.20	90,275.10	29,849.90	
<i>Also non-oil gas GDP</i>	<i>39,975.80</i>	<i>57,049.60</i>	<i>17,073.80</i>	
Per Capita GDP, in manat	6,269.60	9,011.50	2,741.90	143.7
Industrial goods, in million manats	32,300.20	52,251.50	19,951.30	161.8
<i>Also non-oil gas industry</i>	<i>8,800.60</i>	<i>15,029.90</i>	<i>6,229.30</i>	<i>170.8</i>
Agricultural product, in million manats	5,632.40	9,196.30	3,563.90	163.3
Information and communication services, in million manats	1,623.40	2,361.00	737.60	145.4
Retail trade turnover, in million manats	30,190.30	44,047.60	13,857.30	145.9
State budget incomes, in million manats	17,505.68	26,401.00	8,895.32	150.8
State budget expenses, in million manats	17,751.3	28,543.00	9,448.93	149.5
Nominal income of population, in million manats	45,395.10	57,175.00	11,779.90	125.9
Nominal income per capita, in manats	4,710.10	5,707.30	997.20	121.2
Consumer price index	12.40	6,2**	X	X
Deposits of population at banks, for 1 December 2021, in millions	7,448.7	8,880.90	1,448.79	119.5
Average monthly nominal wage, in manat	498.60	724.00	225.40	145.2
Non-oil export (in million USD) (Actual prices))	1,237.10	2.526,73***	1,289.63	2 dəfə
Strategic reserve currency	37,939	53,144	15,205	40,1



EXECUTION STATUS OF STRATEGIC ROAD MAPS FOR 2017-2020

■ <10% ■ 10% < 90% ■ >90%

National economy perspective

82%

Manufacture and processing of agricultural products

77%

Production of consumer goods in Azerbaijan at the level of small and medium entrepreneurship

88%

Heavy industry and machinery manufacturing

80%

Specialized tourism industry

74%

Logistics and trade

69%

Affordable housing

88%

Vocational education and training

68%

Financial services

80%

Telecommunication and information technologies

85%

Utilities services (electric energy, heating, water and gas)

91%

Oil-gas industry (including chemical products)

77%

IMPLEMENTED TASKS AND ACHIEVED RESULTS IN THE FIELD OF KEY SOCIO-ECONOMIC DIRECTIONS



ACHIEVED RESULTS IN THE FIELD OF FINANCIAL SERVICES

- The Financial Stability Council of the Republic of Azerbaijan was established on July 15, 2016 and the coordination of economic organizations was provided. Since September 9, 2020, the mandate of the council has been expanded and continues to operate as the Economic Council of the Republic of Azerbaijan.
- Strengthening of fiscal sustainability has been ensured by adopting debt strategy and **medium-term cost framework**.
- **Budget rules (“golden rule”)** on the transfer of the reserves of the State Oil Fund of the Republic of Azerbaijan to the state budget have been approved, which also provide for the efficient use of oil revenues and increase the share of non-oil revenues in the budget.
- Measures for the capitalization of banks have been finished, **sustainability of the banking sector** have been ensured.
- Problematic banks have been eliminated from the system, the population have been **compensated in the amount of 1.493 billion manats for protected deposits** in these banks.
- According to the decree of the President of the Republic of Azerbaijan dated 28 February 2019 on “**additional measures in connection with the resolution of the issue of problem loans of individuals** in the Republic of Azerbaijan”, **640 million manat** was repaid to the citizens by compensating the part of the population's loans in foreign currency increased in manats as a result of devaluation.
- **First private credit bureau of Azerbaijan, “Azerbaijan Credit Bureau” LLC (ACB)** was established on the 15th of January, 2018 by eight big banks of the country and its integration with all relevant organizations, as well as banks and other financial institutions, utility suppliers has been ensured. From the date of its establishment to November 30 2021, a total of 35.1 million inquiries have been received about the borrowers which let the bureau to give out loans more securely and faster.



ACHIEVED RESULTS IN THE FIELD OF FINANCIAL SERVICES

- **"State Registry on Encumbrance of Movable Property"** have been established with the purpose of improving the accessibility of population and in particular, SMB's and increasing their chances of getting credit by pledging movable property, which in turn enabled the borrowers to not only pledge their immovable property, but also movable property in order to get credit.
- In the World Bank's **"Doing Business"** report, among 190 countries, Azerbaijan has moved up from 122th position in 2018 to 21st in 2019 and to **1st place in 2020** for **"Getting Credit"** indicator.
- **"State Program on Expansion of Digital Payments** in the Republic of Azerbaijan for 2018-2020" has been approved. As a result, **volume of cashless transactions** for 1 November 2021 has increased by 4.6 times compared to the end of 2016, from 2.151 billion to **9,832 billion AZN**. Also, **the volume of debit and credit card transactions** for 1 November 2021 has increased by 2.3 times compared to the end of 2016, from 12.781 to **29.353 billion manat**. Significant growth has been observed in the number of payment cards in circulation in the banking system. Payment cards that are in circulation for 1 November has increased twofold compared to the end of 2016, technically increasing by 5 million and 339 thousand units, reaching 10 million and 673 thousand units.
- **Instant Payments System** has been developed for the application of new digital payment technologies.
- Insurance market in the country has been expanded, the application of **mandatory health insurance** has been launched.
- The application of **agrarian insurance** system has been launched.
- **Mortgage and Credit Guarantee Fund** has been established and for the first time in our country, credits have been guaranteed by a specialized fund.
- **Unemployment Insurance Fund** has been established.



ACHIEVED RESULTS IN THE FIELD OF IMPROVING BUSINESS ENVIRONMENT

- Appeals Board under the President of the Republic of Azerbaijan, Appeal Councils in the central and local executive authorities have been established.
- Public-private dialogue, the Commission on Business Environment and International Rankings was established in 2016 and the Commission's internet portal was launched.
- “Economic Reforms Governance Model” has been accepted as an exemplary innovative model by the Organization of Economic Cooperation and Development (OECD) and published on “OPSI” platform.
- Development of small and medium enterprises were contributed by establishing Small and Medium Business Development Agency in 2017, SMB houses in 2020 and “Enterprise Azerbaijan” portal in 2018.
- The participation of micro, small and medium enterprise subjects in public procurement has been encouraged and expanded.
- The law on “Mediation” was adopted in 2019 and Mediation Council was established in 2020.
- State support mechanisms for entrepreneurship development have been further improved, Azerbaijan Business Development Fund (Entrepreneurship Development Fund) has provided a total of 2.65 billion manat concessional loans to almost 40 thousand entrepreneurs till this day.
- Important reform measures have been carried out on protecting the interests of investors, starting business, construction permits, connection to power supply networks, access to financial sources and registering property, insolvency, new electronic systems (“**Electronic court system**” in 2016, “**Electronic application system for construction permits**” , “**Electronic system for connection to electricity networks**” , “**Public procurement single web portal**” in 2019 etc.) have been launched.

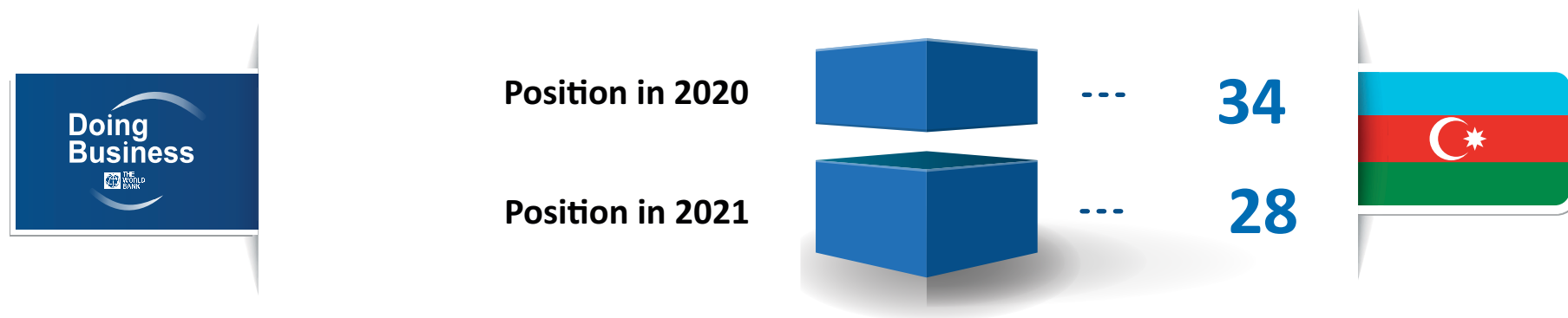


ACHIEVED RESULTS IN THE FIELD OF IMPROVING BUSINESS ENVIRONMENT

- “Azexport.az” and Digital Trade Hub platforms were created in 2016 and 2017 respectively, promotion methods such as trade agencies, online export application, export missions, trade houses and export subsidies have been launched.
- Effective tax reforms have been carried out and significant tax concessions have been provided for business contribution. Tax concessions and exemptions have been added to the Tax Code regarding SMEs, SMB Cluster companies and SMB Cluster participants.
- Custom reforms have been carried out, especially “Green Corridor” system have been implemented.
- Azerbaijan's position in international rankings has been raised to the highest level:
- Azerbaijan ranked in 28th (65th in 2017) among 190 countries in “Doing Business 2020” report of the World Bank, “Most reformist country” two years in a row;
- According to 2021 Index of Economic Freedom, our country ranked in 38th place (2016: 91th place), moved up from “Moderately Free” countries category to “Mostly Free” countries category;
- According to Global Competitiveness Report 2019 of the World Economic Forum, Azerbaijan ranked in 58th place among 141 countries (2018:69);
- The law on “Alat Free Economic Zone” were approved in 2018, groundbreaking ceremony was held in 2021 with the participation of the President of the Republic of Azerbaijan.



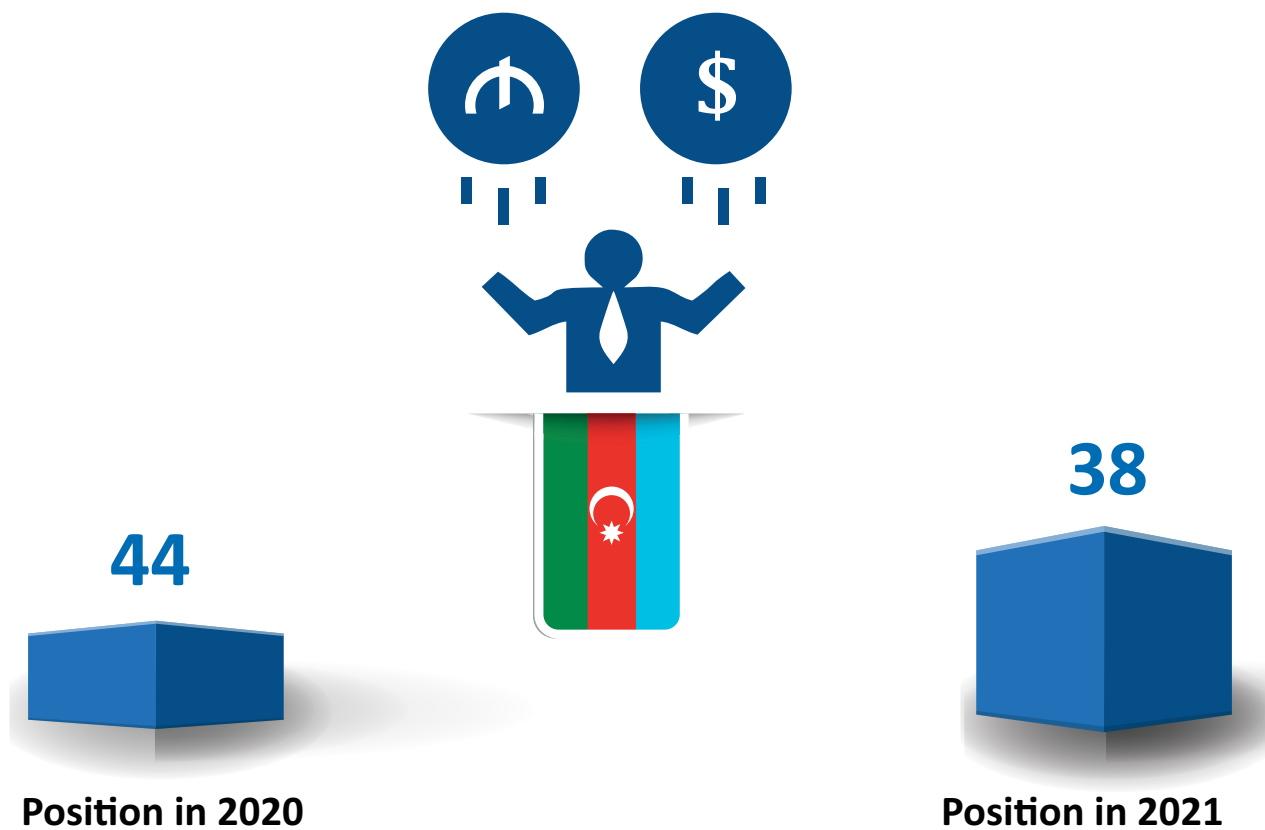
AZERBAIJAN'S POSITION IN "DOING BUSINESS" REPORT OF THE WORLD BANK



LEADERSHIP ON A GLOBAL SCALE FOR INDICATORS



AZERBAIJAN'S POSITION IN “ECONOMIC FREEDOM INDEX” REPORT OF “HERITAGE FUND”



INFORMATION ON CUSTOMS CONCESSIONS

No	Summary
I	General reforms on customs
1	<p>Use of "Green Corridor" and other clearance systems for the movement of goods and vehicles across the customs border - application of green, blue, yellow and red corridor clearance systems for the entry of goods and vehicles into the customs territory on the based on a short import declaration:</p> <p>The relevant risk analysis is carried out by sending a short import declaration in electronic form to the customs authorities, before bringing goods and vehicles into the customs territory. If they meet the relevant criteria, goods and vehicles imported into the customs territory are exempt from physical inspection during and after release into the customs territory.</p>
2	<p>Improving the rates of customs import duties for the commodity nomenclature of foreign economic activity;</p> <p>Proposed changes in the rates of import customs duties has ensured import customs duties to switch from 7-steps system (0%, 0,5%, 1%, 3%, 5%, 10%, 15%) to the new 3-steps (0%, 5%, 15%) system. Thus, with the goal of further improving the customs-tariff mechanism regarding imported foods, protecting the production of import-oriented goods from the negative impact of external competition, rates on raw materials with no production potential, intermediate products(semi-finished products) and production tools have been reduced.</p>
3	<p>Ensuring the preliminary inspection of the special permit on short import declaration and attached veterinary, phytosanitary, hygienic or other certificates , food safety certificate in relation to food products, extract from the state register of food safety registration of their producers and goods with restricted civil circulation and release of goods into the customs territory based on the results of customs control</p>
4	<p>Acceptance of all declarations provided in the Customs Code of the Republic of Azerbaijan in electronic form in the customs authorities in order to minimize civil servant -citizen contact and further expand electronic customs services</p>
5	<p>Ensuring mutual interaction between the Food Safety Agency of the Republic of Azerbaijan and the State Customs Committee of the Republic of Azerbaijan during the inspection of imported food for safety with the application of "single window" principle in order to protect the rights of business entities and consumers and to accelerate the passage of food products at customs border checkpoints during the import-export phase</p>
6	<p>Veterinary, phytosanitary, hygienic and other certificates issued in advance by the exporting country in accordance with the principle of equivalence adopted by international practice and defined by international agreements to which the Republic of Azerbaijan is a party, food safety certificates, extracts from the state registry on food safety registration of its producers, customs clearance of goods based on documents</p>



INFORMATION ON CUSTOMS CONCESSIONS

II	Law of the Republic of Azerbaijan on “Customs Tariff”		
№	Summary	Expiry date of concession	Full or partial exemption (all full)
20.0.17.	Import of machinery, technological equipment and facilities by legal entities and individual entrepreneurs who have received an investment promotion document in accordance with the procedure established by the relevant executive body - exempted from customs duties for 7 years from the date of receipt of the investment promotion document;	permanent	Full exemption
20.0.18.	On the basis of the approval document of the relevant executive body by the management organization or operator of industrial or technology parks established for the purpose of creation and construction of infrastructure, production areas, as well as scientific research and development works established by the decision of the relevant executive body; import of machinery, technological equipment and facilities is exempt from customs duties;	permanent	Full exemption
20.0.19.	Construction of production areas in industrial or technology parks, implementation of scientific – research and experimental design works according to the decision of relevant executive body, import of machinery, technological equipment and facilities by legal entities and individual entrepreneurs that are the residents of industrial or technology parks based on the document of relevant executive body – is exempt from customs duties for 7 years from the date of registration of the resident in industrial or technology parks;	permanent	Full exemption
20.0.20.	Import of all types of goods for the purposes of the industrial park established by the decision of the relevant executive authority by a resident of the industrial park engaged in activities determined by the relevant executive authority on the basis of a certificate of the relevant executive authority; - exempt from customs duties starting from 1 May 2016 for a period of 5 years;	5/1/2021	Full exemption
20.0.21.	Due to UEFA 2019 Europa League final match and UEFA 2020 Football championship matches that were held in the Republic of Azerbaijan, imports of goods regarding the matches are exempt from customs duties by individuals who received supporting document from relevant executive body and participated in those matches or was involved in the organization of matches;	8/1/2021	Full exemption
III	Resolution of the Cabinet of Ministers of the Azerbaijan Republic dated April 22, 1998 No. 91 “About rates of customs duties on export-import transactions in the Azerbaijan Republic”		
1	Import by the resident of the industrial park which is engaged in ship-building activities in the Industrial Park Garadag established based on the Order of the President of the Azerbaijan Republic of June 3, 2015 No. 1255, of all goods for the purposes of the specified activities based on the supporting document of the Ministry of Economics of the Azerbaijan Republic – exempt from customs duties starting from May 1, 2016 for a period of 5 years.	5/1/2021	Full exemption
2	According to the affirmative documents of the Ministry of Energy of the Republic of Azerbaijan, equipment and materials imported into the country within the framework of reconstruction projects of large oil refineries(annual crude oil processing capacity of not less than 3 million tons) are exempt from customs duties;	1/1/2023	Full exemption
3	Import of new types of coronavirus (COVID-19) vaccines and syringes for these vaccines on the basis of the affirmative document of the Ministry of Health of the Republic of Azerbaijan – are exempt from customs duties starting from 1 January 2021 for a period of 2 years;	1/1/2023	Full exemption



CONCESSIONS AND EXEMPTIONS IN TAXES 2016-2021

Relevant article of the Tax Code		Summary	Full exemption	Partial exemption	Commence-ment date of concession	Expiry date of concession	Uncalculated amount to the state budget per year as a result of concessions and exemptions
Concessions and exemptions in taxes in TOTAL (annually)							1,297,050.1
Taxes in contract work in TOTAL							758,770.0
Tax in contract work	101.1-1	Tax on monthly income of individuals in contract work who are not active in the oil-gas sector and work in taxpayers belonging to the private sector	-	+	1/1/2019	1/1/2026	741,700.0
Tax in contract work	102.1.33	Income of employees of the body (institution) who were involved in paid social works determined by the relevant executive authority in accordance with the Law of the Republic of Azerbaijan "On Employment" in connection with this activity.	+	-	2018-11-30	permanent	17,070.0
Income tax of individual entrepreneur in TOTAL							122,200.2
Income tax of individual entrepreneur	102.1.30	75 percent of income from entrepreneurial activities of individual entrepreneurs who are micro-entrepreneurship entities-entrepreneurship entities	-	+	2018-11-30	permanent	118,130.7
Income tax of individual entrepreneur	102.1.31	Income of startups from innovation activity from the date of receiving "Startup" certificate that are micro or small entrepreneurship entities and work as individual entrepreneurs – for a period of 3 years	-	+	2018-11-30	permanent	3,283.4
Income tax of individual entrepreneur	102.1.23	50 percent of the income of individual entrepreneur from the date they have received an investment promotion document – for a period of 7 years	-	+	2016-01-19	permanent	459.9
Income tax of individual entrepreneur	102.1.27	Taxpayer's owned participation share for at least 3 years or 50 percent of income by provision of shares	-	+	2018-11-30	permanent	197.9
Income tax of individual entrepreneur	102.1.32	Part of the income on capital expenditures for received goods based on the contract between the individual entrepreneur of SME cluster company and SME cluster company – for a period of 7 years	-	+	2018-11-30	permanent	62.2
Income tax of individual entrepreneur	102.1.14.13	Financial aid provided by public organizations, charities and foundations	-	+	2020-11-20	2022-11-20	40.9
Income tax of individual entrepreneur	102.1.25	Income from the discharge of tax debts to the state budget in accordance with the law	+	-	2018-11-30	permanent	12.8
Income tax of individual entrepreneur	102.1.24	The amount of income tax payable to the budget by an individual entrepreneur engaged in commercial and (or) public catering activities for the sale of goods within retail regulations are reduced 25 percent of the tax for a period of 3 years determined in accordance with the share of non-cash payments in total income made by POS terminals starting from 1 January 2019 based on the Law of the Republic of Azerbaijan on "Protection of consumer rights"	-	+	2019-01-01	2022-01-01	12.4



CONCESSIONS AND EXEMPTIONS IN TAXES 2016-2021

Relevant article of the Tax Code		Summary	Full exemption	Partial exemption	Commence-ment date of concession	Expiry date of concession	Uncalculated amount to the state budget per year as a result of concessions and exemptions
Withholding tax in TOTAL							32,662.8
Withholding tax	102.1.22	Annual interest income on deposits of individuals paid by a local bank and a branch of a foreign bank operating in the Republic of Azerbaijan for a period of 7 (seven) years from February 1, 2016, as well as dividends, discounts(the difference between the original face value and the price paid for the bond) and interest income paid by the issuer for investment securities	+	-	2016-02-01	2023-02-01	30,690.0
Withholding tax	102.1.22-1	Dividend income of individual entrepreneurs that are founders (shareholders) of resident enterprise which has a volume of transactions of up to 200.000 AZN in any month of a consecutive 12-month period, not registered for VAT purposes and calculating the profits and expenditure established by this codessuer for investment securities	+	-	2018-11-30	permanent	1,972.8
Profit tax in TOTAL							39,315.3
Profit tax	106.1.20	75 percent of the profits from entrepreneurial activities earned by legal entities that are micro-entrepreneurship entities	-	+	2018-11-30	permanent	34,623.2
Profit tax	106.1.17	50 percent of the profit of the legal entity from the date of receiving the investment promotion document – for a period of 7 years.	-	+	2016-01-19	permanent	2,409.3
Profit tax	106.1.18	Except for legal entities with 51 or more percent shares(stocks) directly or indirectly belonging to the government and public legal entities established on behalf of the government, the part of the taxpayer's profit not exceeding 10 percent of the reporting year transferred to enterprises, departments and organizations operating in the field of science, education, health, sports and culture that meet the criteria set by the body (institution) determined by the relevant executive power. Provisions of this article will only be applied to cashless expenses.	-	+	2019-01-01	1/1/2029	1,495.3
Profit tax	106.1.23	Profits of start-ups operating as micro or small entrepreneurial subjects and legal entities from innovation activities from the date of receiving the "Startup" certificate – for a period of 3 years;	-	+	2018-12-01	permanent	392.3
Profit tax	106.1.19	50 percent of the taxpayer's participation share or income from provision of shares for at least 3 (three) years	-	+	2018-11-30	permanent	214.7
Profit tax	106.1.22	Part of the profit on capital expenditures for received goods based on the contract between the participant legal entity of SME cluster company and SME cluster company – for a period of 7 years	-	+	2018-11-30	permanent	79.4
Profit tax	106.1.21	Profit of SME cluster company - from the date of inclusion of the SME cluster company in the registry of SME cluster companies for a period of 7 years	+	-	2018-11-30	permanent	56.4



CONCESSIONS AND EXEMPTIONS IN TAXES 2016-2021

Relevant article of the Tax Code		Summary	Full exemption	Partial exemption	Commencement date of concession	Expiry date of concession	Uncalculated amount to the state budget per year as a result of concessions and exemptions
Profit tax	106.10	Dividends of shareholders (both private entrepreneurs and legal entities) received from their legal entities, which keep official records of income and expenses, not registered as VAT payer and whose income does not exceed 200 000 AZN within any given 12 consecutive months, is exempt from taxation	+	-	2018-11-30	permanent	44.2
Profit tax	106.1.24	Income of the body (institution) determined by the President of the Republic of Azerbaijan from activities related to the organization of paid public works in accordance with the Law of the Republic of Azerbaijan "On Employment"	+	-	2018-11-30	permanent	0.6
Value Added Tax in TOTAL							237,908.1
VAT	164.1.27	Import and sale of wheat, production and sale of wheat flour and bread	+	-	2017-01-01	2024-01-01	67,026.5
VAT	164.1.37	Sale of animal meat and poultry	+	-	2020-01-01	2024-01-01	28,227.7
VAT	164.1.46	Turnover from the sale of feed and feed additives used in livestock and poultry farms	+	-	2020-01-01	2024-01-01	22,854.5
VAT		For any international treaty to which the Republic of Azerbaijan is a party	-	+	2020-11-20	permanent	22,051.2
VAT	164.1.31	Import and sale of mineral fertilizers, pesticides	+	-	2016-05-06	permanent	18,769.9
VAT		For operations on special economic zones within rules	-	+	2020-11-20	permanent	15,492.7
VAT	164.1.34	Production, import and sale of direct agricultural irrigation and other facilities, machines, equipment and tools, as well as spare parts of agricultural machinery approved by the body (institution) of relevant executive power	+	-	2016-05-06	permanent	7,149.7
VAT	164.1.51	Medical insurance services at the expense of compulsory medical insurance fund in accordance with the Law of the Republic of Azerbaijan "About Medical Insurance"	+	-	2020-01-01	2022-01-01	4,474.3
VAT	164.1.30	Import and sale of seed and seedlings	+	-	2016-05-06	permanent	3,604.5
VAT	164.1.48	Provision of services based on the contract with the body(institution) determined by the relevant executive power at the expense of state budget for the implementation of tasks provided in the charters of public legal entities established on behalf of the state	+	-	2020-01-01	2022-01-01	2,742.9
VAT	164.1.43	Production and sale of bran	+	-	2019-03-01	2024-01-01	2,316.2
VAT	164.1.29	Import and sale of breeding animals	+	-	2016-05-06	permanent	1,240.3



CONCESSIONS AND EXEMPTIONS IN TAXES 2016-2021

Relevant article of the Tax Code		Summary	Full exemption	Partial exemption	Commence-ment date of concession	Expiry date of concession	Uncalculated amount to the state budget per year as a result of concessions and exemptions
VAT	164.1.32	Import and sale of equipment for growing seeds, poultry and beekeeping, as well as laboratory equipment, machinery for clearing, sorting and calibrating seeds, grain and dried legumes;	+	-	2016-05-06	permanent	1,127.3
VAT	164.1.45	Provision of goods and services by legal entities that represent UEFA, created and authorized by UEFA regarding UEFA 2020 Football championship held in the Republic of Azerbaijan based on the confirming document of the Association of Football Federations of Azerbaijan	-	+	2019-03-01	8/1/2021	794.7
VAT	165.1.7	Provision of goods and services to the contractor by the subcontractor that made an agreement with the contractor who in turn does the same for the resident of industrial park engaged in the activity determined by the relevant executive power, park is established based on the decision of relevant executive power	+	-	2016-05-01	2021-05-01	663.2
VAT	164.1.42	Operations on provision of labor force regarding the organization of paid public works determined by the body (institution) determined by the relevant executive power in accordance with the Law of the Republic of Azerbaijan "On Employment"	+	-	2018-11-30	permanent	264.9
VAT	164.1.47	Turnover on the provision of the state part of the residential and non-residential areas of the building constructed by persons engaged in building construction activities	+	-	2019-11-29	permanent	145.7
VAT	164.1.49	Provisions of goods, work and services based on the contract with the body (institution) determined by the relevant executive power regarding Formula 1 and Formula 2 competitions held in the Republic of Azerbaijan	+	-	2018-01-01	2024-01-01	42.2
VAT	164.1.44	Provision of goods and services by UEFA, non-resident legal entities and non-resident football clubs (associations) established by UEFA regarding the 2019 Europa League final match held in the Republic of Azerbaijan based on the confirming of the Association of Football Federations of Azerbaijan	-	+	2019-03-01	8/1/2021	7.4
VAT	164.1.50	Loaning or leasing of aircrafts and aircraft engines to resident legal entities within the framework of civil aviation activities of non-resident individuals who do not establish a permanent representation in the Republic of Azerbaijan	+	-	2019-11-29	permanent	4.5
VAT	164.1.36	Provision of non-functional (toxic) assets in accordance with the procedure determined by the relevant executive power within the framework of the resolution and rehabilitation of failed banks, as well as the provision of the bank's assets under the bankruptcy procedure	+	-	2017-01-01	2022-01-01	1.9
VAT		For other concessions and exemptions	-	+	2020-11-20	permanent	38,905.7



CONCESSIONS AND EXEMPTIONS IN TAXES 2016-2021

Relevant article of the Tax Code		Summary	Full exemption	Partial exemption	Commence-ment date of concession	Expiry date of concession	Uncalculated amount to the state budget per year as a result of concessions and exemptions
Property tax in TOTAL							11,629.6
Property tax	199.14	Individuals that are micro-entrepreneurship subjects are exempt from property tax (except for the individuals with more than 1.000.000 AZN of remaining value of owned main assets for the beginning of the year).	+	-	2018-11-30	permanent	4,778.6
Property tax	199.16	The body (institution) determined by relevant executive power is exempt from property tax for owned property starting from 1 January 2019 for a period of 5 years based on the decision of relevant executive power within the resolution and rehabilitation measures of failed banks.	+	-	2019-01-01	2024-01-01	3,217.9
Property tax	199.11	The legal entity and individual entrepreneur that received the investment promotion document is exempt from property tax from the date of receiving the document for a period of 7 years for the property acquired thanks to investment asset within the investment project. The exemption specified in this article is not applicable to properties acquired before the date of receiving the investment promotion document and used by a legal entity or individual entrepreneur in entrepreneurial activities. The exemption specified in this article is also applicable to buildings that have been involved in entrepreneurial activities within the framework of investment project and not used in the taxpayer's entrepreneurial activities before.	+	-	2016-01-19	permanent	3,062.9
Property tax	199.15	SME cluster company is exempt from property tax for the properties used for the SME cluster operations for 7 years commencing from the date of entry into the SME cluster company registry.	+	-	2018-11-30	permanent	570.2
Tax on land in TOTAL							454.19
Tax on land	207.5	The legal entity and individual entrepreneur that that received the investment promotion document is exempt from land tax from the date of receiving the document for the owned land for a period of 7 years.	+	-	2016-01-19	permanent	439.96
Tax on land	207.7	The body (institution) determined by relevant executive power is exempt from land tax for owned property starting from 1 January 2019 based on the decision of relevant executive power within the resolution and rehabilitation measures of failed banks.	+	-	2019-01-01	permanent	13.04
Tax on land	207.6	SME cluster company is exempt from land tax for the owned lands used for the SME cluster operations for 7 years commencing from the date of entry into the SME cluster company registry.	+	-	2018-11-30	permanent	1.18



CONCESSIONS AND EXEMPTIONS IN TAXES 2016-2021

Simplified tax in TOTAL							
Relevant article of the Tax Code		Summary	Full exemption	Partial exemption	Commence-ment date of concession	Expiry date of concession	Uncalculated amount to the state budget per year as a result of concessions and exemptions
Simplified tax	218-1.1.5	On the provision of residential and non-residential areas	+	-	2019-11-30	permanent	87,780.0
Simplified tax	218-1.1.6	Provision of industry, construction, transport, communications, trade-household services and other designated lands, residential funds, backyard lands and garden areas of citizens	+	-	2018-11-30	permanent	5,010.0
Simplified tax		For other concessions and exemptions			2019-01-01	2022-01-01	1,320.0



IMPLEMENTED TASKS IN NON-OIL INDUSTRY

- Production output in the non-oil **industry increased by 74.8% in 2021** compared to 2016 and amounted to more than **15 billion manat**;
- During the mentioned period, **investments in fixed capital** in the non-oil **industry increased by 55.6%** (stable) prices) and exceeded 2 billion manat;
- It should be noted that, If the annual growth rate of the non-oil industry was less than 10% until 2018, **it was more than 10% after 2018, and it was 20.7% for 11 months of 2021**;
- During this period, **exports of non-oil industrial products increased by about 2.1 times**;
- Industrial parks and industrial districts have been established, approximately 6.3 billion AZN has been invested in industrial zones, **more than 5 billion AZN worth of products have been produced** in industrial zones, as well as **around 1.4 billion AZN worth of products have been exported. About 9,500 actual jobs** have been created in industrial zones;
- During the accounting period, 513 investment promotion documents have been submitted to 430 business entities. The total investment value of the projects covered by the investment promotion documents was more than 4.6 billion AZN. **More than 34,770 people are expected to be employed** within these projects.
- Concessions and exemptions have been applied to entrepreneurs and contract workers working in the non-oil industry in 2016-2021

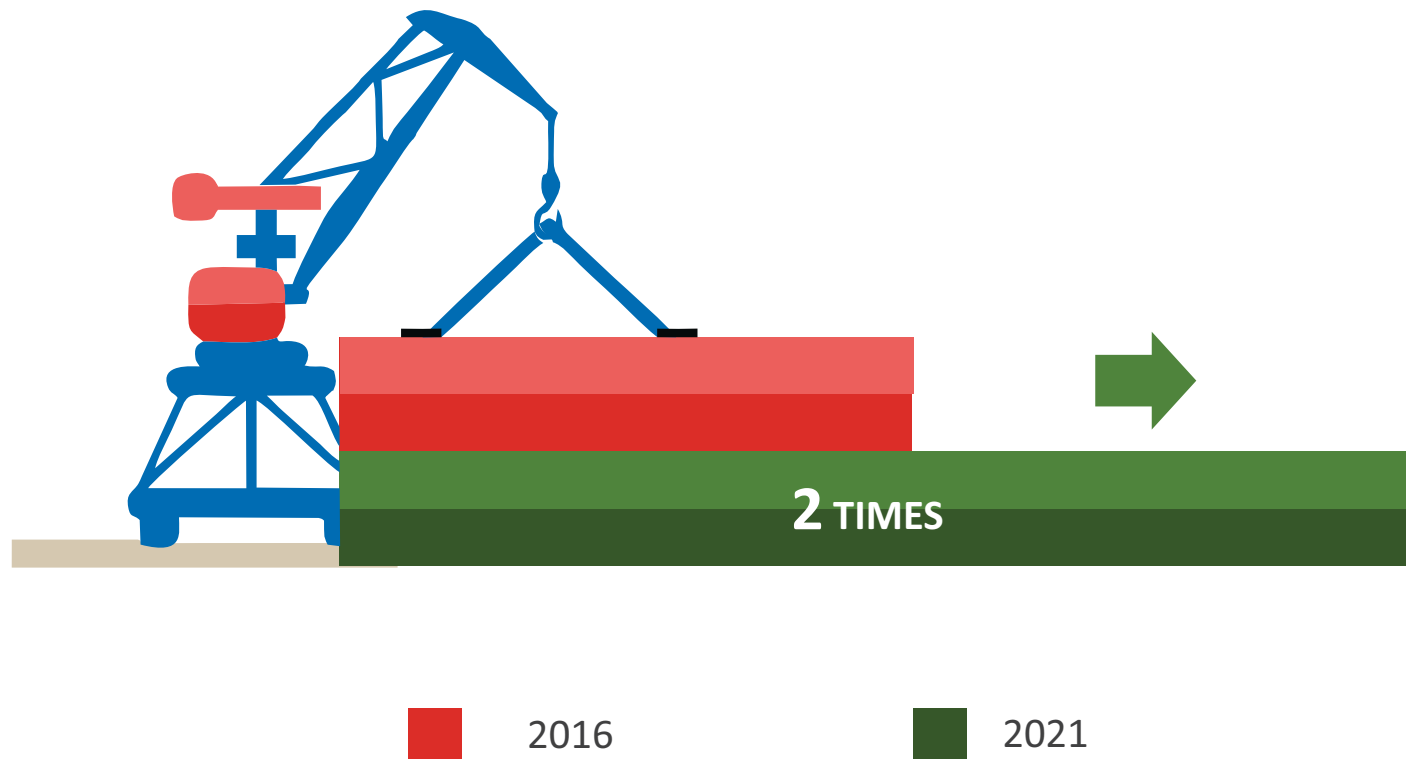
IMPLEMENTED TASKS IN NON-OIL INDUSTRY

- Residents of industrial parks are exempt from property tax, land tax, income or profit tax, VAT on import of equipment for production purposes for a period of 10 years, and customs duties for 7 years.
- **50% exemption from profit or income tax** for entrepreneurs who have received an investment promotion document , full exemption from land and property taxes, exemption from customs duties and VAT on equipment imported within the project.
- **Tax exemptions have been applied to the monthly income of individuals from contract work**, the income of employees involved in public works related to this activity;
- Exemptions have been applied to funds provided for public (science, education, health and other), charitable purposes, income from non-cash retail sales, income from the write-off of tax debts to the state budget;
- **75% exemption of income or profit from entrepreneurial activities have been applied** to micro entrepreneurs.
- **Income or profit earned by startups from innovation activities from the date of receiving the Startup certificate** is exempt from tax for a period of 3 years;
- The part of the income or profit earned by the participants of the SME cluster that is used to meet capital expenses is exempt from tax for a period of 7 years.



IMPLEMENTED TASKS IN NON-OIL INDUSTRY

EXPORT OF NON-OIL INDUSTRY PRODUCTS



KEY ACHIEVEMENTS IN THE FIELD OF AGRICULTURE DURING 2016-2021

- The amount of funds allocated from the state budget to agriculture in 2016 amounted to 585.4 million AZN, in 2021 - 943.0 million AZN, the amount of allocated funds **increased by 1.6 times** compared to 2016.
- Starting from January 1, 2020, **subsidies have been provided through the Electronic Agricultural Information System (EAIS) applying a single mechanism**. Coefficients have started to be applied to the specified base amount of 200 AZN.
- The Law on **Agrarian Insurance** has been adopted, the **Agrarian Insurance Fund** has been established, the **Agrarian Insurance Rules**, the Agrarian Insurance Subject, and the Agrarian Insurance Risks have been approved, which stimulated agrarian insurance in the country.
- As a result of the establishment of the Food Safety Agency of the Republic of Azerbaijan, **the functions performed by 5 different government organizations in the field of food security are concentrated in a unified state body**.
- **State programs** on the development of **cotton-growing, tobacco-growing, sericulture, and tea-growing** have been approved.
- In order to support the establishment of intensive orchards in the country (hazelnuts, pomegranates, olives, lemons, oranges, tangerines), a **one-time subsidy** per hectare has been introduced.
- The total area of orchards and berry farms increased from 171.8 thousand hectares in 2016 to 213.8 thousand hectares in 2020, production increased from 882.8 thousand tonnes to 1133.1 thousand tonnes, productivity per hectare rose from 65.7 quintals to 70.3 quintals. Grape production increased 1.5 times from 136.5 thousand tonnes in 2016 to 208.0 thousand tonnes in 2021.



KEY ACHIEVEMENTS IN THE FIELD OF AGRICULTURE DURING 2016-2021

- The area of greenhouses increased from 3.3 thousand hectares in 2017 to 4.1 thousand hectares in 2021.
- A pilot project has been launched to establish and expand private veterinary activities in the country. By the end of 2022, the area veterinary stations included in the structure of veterinary departments under the Ministry will be gradually abolished and transferred to private service.
- The Agrarian Credit and Development Agency has been given the relevant powers to promote microcredits in agriculture.
- From January 2017 to July 31, 2021 Azexport.az portal received **orders worth \$2 billion and 479 million USD** from 145 countries. The share of agricultural products among the received orders **was 35%**. At the same time, the azexport.az portal has started issuing Free Sales Certificates to products produced in Azerbaijan, which has resulted in an increase in exports of processed agricultural products from Azerbaijan to Oceania, the Gulf, Asia and the Americas since 2018.
- Exports of non-traditional drupes, melons and strawberries began to increase.
- While exports of agricultural and processed products amounted to 565,095.4 thousand US dollars in 2016, this figure increased by 1.6 times in 2020 and reached 926,216.1 thousand US dollars.
- The establishment of trade offices in Azerbaijani embassies abroad has created opportunities for increasing our export potential. 4 trade offices have already been launched and 1 office has been established.
- **The Agency for Agrarian Services** under the Ministry of Agriculture has been established as a result of the merger of state agrarian development centers and several subordinate bodies on the basis of district and city departments of the Ministry of Agriculture.



ACHIEVED RESULTS IN UTILITIES SECTOR

- Azerbaijan **Energy Regulatory Agency** public legal entity under the Ministry of Energy has been established.
- **The problem of mutual non-payment has been solved** by the regulation of mutual loan and payment issues between the state-owned legal entities operating in the field of electro-energy and gas supply, a special account has been established for the efficient use of received funds and providing mutual payments on an automated regime.
- In order to ensure access to electricity in the country, the legislation on the connection of citizens and entrepreneurs to the electricity network has been improved and an online connection system has been launched. Citizens and entrepreneurs can connect construction sites to the power supply network electronically without leaving their place, using the "Electronic Application Management System to connect to the power supply network."
- In accordance with the measures to assess the potential of alternative and renewable energy and select the form of operation and financing of power plants that require investment, relevant agreements have been signed with "ACWA Power" company on the construction of **wind power plant with a capacity of 240 MW** and "Masdar" company on the **construction of solar power plant with a capacity of 230 MW**.
- Law of the Republic of Azerbaijan "**On the Use of Renewable Energy Sources in the Production of Electricity**" has been approved.
- According to the "**Global Competitiveness Report**", in 2019, Azerbaijan achieved the maximum result and rose to the 2nd place among 141 countries in terms of electricity availability.

MEASURES TAKEN IN THE FIELD OF HUMAN CAPITAL AND DEVELOPMENT OF EDUCATION

- Legislative base in the field of education has been improved, Laws **“on Preschool Education”**, **“on General Education”**, **“on Vocational Education”** and have been adopted.
- Reforms in the field of labor relations, employment, social security have been continued, **“Employment Strategy of the Republic of Azerbaijan for 2019-2030”**, **“Law on Unemployment Insurance”**, **“Law on Employment”** have been adopted.
- **State Agency on Vocational Education, Vocational Education Development Fund and Education Development Fund** have been established under the Ministry of Education.
- **The Educational Student Credit Fund** has been established in order to ensure access to education for low-income people, create equal opportunities for education and expand the scope of education.
- **“National Observatory on Labor Market and Social Protection Affairs”** has been established under the Ministry of Labor and Social Protection to deal with assessment and monitoring of the current situation in labor and social protection areas and prepare analysis and prognosis.
- With the approval of the **"State Program on Increasing the International Competitiveness of the Higher Education System in the Republic of Azerbaijan for 2019-2023"**, the implementation of double degree programs, as well as the state funding of doctoral education of Azerbaijani citizens abroad has begun.
- Investment in education has increased in recent years. In total, the share of education expenditures in total budget expenditures is expected to increase from 9.9 percent in 2016 to 11.5 percent in 2021. **The share of education expenditures in GDP** is expected to increase from 2.9 percent in 2016 to 3.6 percent in 2021.



MEASURES TAKEN IN THE FIELD OF HUMAN CAPITAL AND DEVELOPMENT OF EDUCATION

- Measures have been taken to rationalize and optimize vocational education institutions, and specialized vocational education centers have been established on the basis of a number of vocational education institutions.
- The partnership between the pilot vocational education institutions and employers has been expanded, a Memorandum of Understanding has been signed with 14 employers in 2020, a total of 1,189 employers supported the organization of internships and 13,269 students have been involved.
- In order to strengthen the social protection of teachers working in public vocational education institutions, employees engaged in management and training activities, starting from January 1, 2018, **the norm of weekly workload of teachers** working in public vocational education institutions, with a diagnostic assessment of their knowledge and skills has been increased by **1.5 times, monthly salaries have been doubled on average**.
- Measures on rationalizing and optimizing vocational education institutions have been continued. In 2018, as a continuation of rationalization and optimization measures in the regions, 10 specialized Vocational Education Centers have been established on the basis of 20 vocational education institutions. In total, **24 Vocational Education Centers** specialized in different areas on the basis of 55 vocational education institutions.
- An action plan for the establishment of selected pilot vocational education institutions has been developed. The Baku State Vocational Education Center for Industry and Innovation has been reconstructed on the basis of Korean educational standards, with an opportunity to teach technical vocational education in 9 areas, and higher technical education in 2 areas.



INSTITUTIONAL REFORMS IMPLEMENTED DURING 2016-2021

- **Financial Stability Council** has been established in order to ensure macroeconomic and financial stability, and **the Economic Council of the Republic of Azerbaijan** has been established to create a new governance framework for economic policy and economic reforms.
- The Commission on Business Environment and International Rankings has been established in order to increase the business environment and further improve the country's position in international rankings.
- **Appeals Board** under the President of the Republic of Azerbaijan, Appeal Councils in the central and local executive authorities have been established.
- **State Examination Center** public legal entity of the Republic of Azerbaijan has been established.
- **Center for Analysis of Economic Reforms and Communication** has been established.
- **State Housing Development Agency** of the Republic of Azerbaijan has been established.
- **State Agency on Vocational Education** under the Ministry of Education has been established.
- According to the Decree of the President of the Republic of Azerbaijan No. 1125 dated November 24, 2016 "regarding measures to improve public management in the Republic of Azerbaijan", relevant public legal entities have been established on the basis of relevant state bodies that have the status of the relevant central executive body.
- **Small and Medium Business Development Agency** of the Republic of Azerbaijan has been established.



INSTITUTIONAL REFORMS IMPLEMENTED DURING 2016-2021

- **Food Safety Agency** of the Republic of Azerbaijan has been established.
- **Energy Regulatory Agency** under the Ministry of Energy has been established.
- **“Azerbaijan Industrial Corporation”** Open Joint-Stock Company has been established.
- **State Tourism Agency** of the Republic of Azerbaijan has been established.
- **“Azerbaijan Tourism Board”** public legal entity has been established.
- **“National Observatory on Labor Market and Social Protection Affairs”** public legal entity has been established under the Ministry of Labor.
- **“Azerbaijan Investment Holding”** has been established to manage state-owned companies and enterprises, as well as business entities with a share of state capital based on common principles.
- In order to improve governance in the field of digitalization, innovation, high technologies and communications in the Republic of Azerbaijan, the Ministry of Transport, Communications and High Technologies of the Republic of Azerbaijan has been renamed the Ministry of Digital Development and Transport and Information Communication Technologies Agency and Innovation and Digital Development Agency public legal entities under the Ministry has been established.
- **“Center for Analysis and Coordination of the Fourth Industrial Revolution”** public legal entity has been established under the Ministry of Economy of the Republic of Azerbaijan



INSTITUTIONAL REFORMS IMPLEMENTED DURING 2016-2021

- Vocational Education Development Fund and Education Development Fund have been established under the Ministry of Education.
- Educational Student Credit fund has been established under the Ministry of Education.
- “Azerbaijan Business Development Fund” has been established under the Ministry of Economy of the Republic of Azerbaijan by reorganization in the form of merger of "Azerbaijan Entrepreneurship Support Fund" public legal entity and “Azerbaijan Investment Company” OJSC under the Ministry of Economy.
- “Agency for the Development of Economic Zones” has been established under the Ministry of Economy of the Republic of Azerbaijan for further improvement of management and control mechanisms in the field of existing industrial parks, industrial quarters and agricultural parks in the country, as well as increasing the efficiency of events, ensuring closer coordination and consistency.
- “State Reserves Agency” public legal entity of the Republic of Azerbaijan has been established on the basis of the State Agency for Material Resources of the Ministry of Emergency Situations.
- At the same time, staff renewal at all levels of public administration has been successfully implemented.
- “Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan” non-commercial legal entity has been established by Decree of the President of Azerbaijan Republic N. 1760, dated 25 December 2017 by reorganization in the form of merger of “Azerbaijan Mortgage Fund” OJSC and “Credit Guarantee Fund of Azerbaijan Republic” OJSC.



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

- The amount of minimum wage increased from 105 AZN to 300 AZN.
- The wages of employees of budget-funded organizations have been doubled on average.
- Average monthly salary have been increased from 494 AZN to 723 AZN (for the first 10 months of 2021).
- The minimum amount of labor pension has been increased from 110 to 240 AZN.
- The average amount of monthly pensions has been increased from 192 to 331 manat (for 11 months of 2021).
- The amount of monthly allowance for age has been raised from 66 AZN to 180 AZN.
- The amount of disability allowances has been increased more than 2 times:
 - The amount of social allowance for I degree disability has been increased from 74 to 220 AZN;
 - For II degree disability - from 55 to 180 AZN .
 - For III degree disability – from 48 to 120 AZN.
- The monthly allowance for children with disabilities has been increased from 74 up to 200 AZN.



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

- Benefit for loss of the head of the family has been increased from 61 to 100 AZN.
- Benefit for women with more than five children – increased from 30 to 70 AZN for each child.
- Benefits for the children of conscripts have been increased from 61 to 120 AZN.
- Benefits for guardians of orphans and children deprived of parental care has been increased from 55 to 120 AZN.
- Lump-sum benefit for childbirth has been raised from 99 to 300 AZN.
- Lump-sum funeral benefit has been raised from 132 to 350 AZN.
- Presidential grants for students who scored the highest in the entrance exams to universities of the Republic of Azerbaijan – increased from 165 to 210 AZN.
- Individual grant of the President of the Republic of Azerbaijan has been increased from 1300 to 1450 AZN.
- Individual grant of the President of the Republic of Azerbaijan for honorary titles has been increased:
 - ▣ For the honorary title of "People's" – from 100 to 180 AZN;
 - ▣ For the honorary title of "Honoured" – from 60 to 120 AZN



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

- Grant of the President of the Republic of Azerbaijan for the persons named the National Hero of Azerbaijan has been increased from 1300 to 1800 AZN.
- Grant of the President of the Republic of Azerbaijan for the persons named "Hero of the Patriotic War" has been established on 01.01.2021 (2000 AZN).
- Amount of the Grant of the President of the Republic of Azerbaijan has been raised from 110 to 300 AZN for the Participants of the Great Patriotic War of 1941-1945, to persons who worked in the enterprises, departments and organizations of the city during the siege of Leningrad during the Second World War and were awarded with the medal "For the Defense of Leningrad" and the badge "Living in the siege of Leningrad".
- Grant of the President of the Republic of Azerbaijan to the family of martyr has been increased from 220 to 500 AZN.
- Grant of the President of the Republic of Azerbaijan to the persons caring for persons with the first-degree disabilities and children under 18 with disabilities has been established on 01.04.2019 and increased from 50 to 80 AZN.
- Grant of the President of the Republic of Azerbaijan to persons with 1st degree disability for general reasons has been established on 01.04.2019 - 130 AZN.
- Grant of the President of the Republic of Azerbaijan for people with first-degree visual impairment for general reasons has been established on 01.01.2021 - 210 AZN.



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

- Grant of the President of the Republic of Azerbaijan to the persons who have worked in scientific institutions and organizations or educational institutions for at least 25 years, have a scientific degree, are not employed, and are entitled to a labor pension at the main place of work, for the degree of Doctor of Sciences, where the employment record is registered has been established on 01.01.2021:
 - ▣ for the degree of Doctor of Sciences - from 200 up to 300 AZN;
 - ▣ for the degree of Doctor of Philosophy – from 120 up to 200 AZN.
- Grant of the President of the Republic of Azerbaijan to persons with disabilities identified in connection with the war or the events of January 20, 1990 has been increased:
 - ▣ Persons with I degree disabilities – from 165 up to 400 AZN;
 - ▣ Persons with II degree disabilities – from 143 up to 350 AZN;
 - ▣ Persons with III degree disabilities – from 110 up to 300 AZN.
- Per capita income has been increased from 4710 manat to 5707 manat.
- In order to increase the housing opportunities of the population of Azerbaijan and further improve the living standards, the State Housing Development Agency of the Republic of Azerbaijan has been established by the Decree of the President dated April 11, 2016. The establishment of the agency also served to stimulate the construction sector and further develop the mortgage market.



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

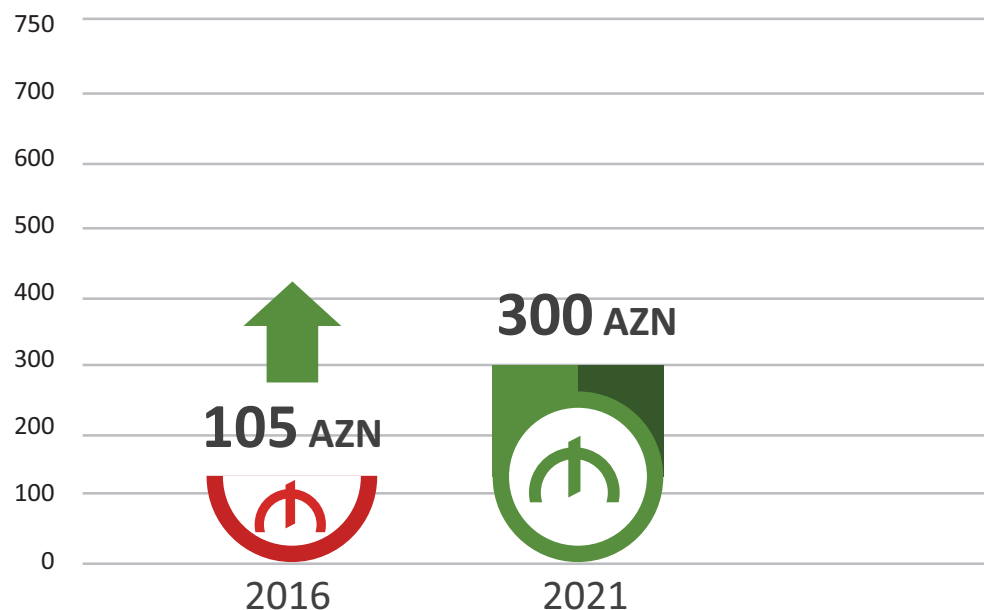
- In November 2016, in order to further improve the quality of medical services provided to the population and introduce the mandatory health insurance system, the State Agency on Mandatory Health Insurance was established by the relevant Decree of the President of the Republic of Azerbaijan and pilot projects on mandatory health insurance were launched.
- Progress has been made in ensuring transparency in the legalization of informal employment. So, a number of labor contracts increased from 1 250 105 to 1 672 694 (for 11 months of 2021).
- The volume of mortgage loans issued to citizens between 2006-2015 amounted to a total of 721.9 million AZN, while the volume of mortgage loans issued between 2016-2021 amounted to 1.4 billion AZN.



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

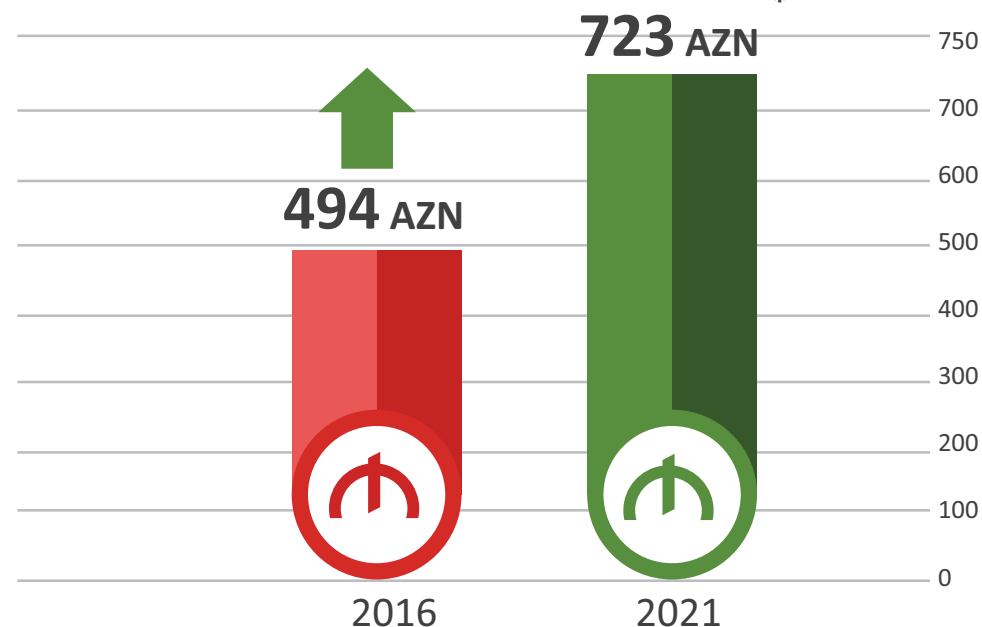
(Including decisions made by the end of 2021 compared to 2016)

MINIMUM WAGE



AVERAGE MONTHLY WAGE

* - for 10 months of 2021



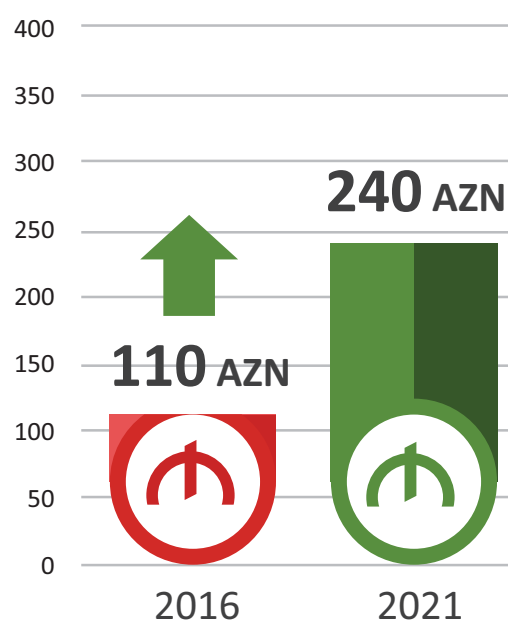
THE WAGES OF EMPLOYEES OF BUDGET-FUNDED ORGANIZATIONS



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

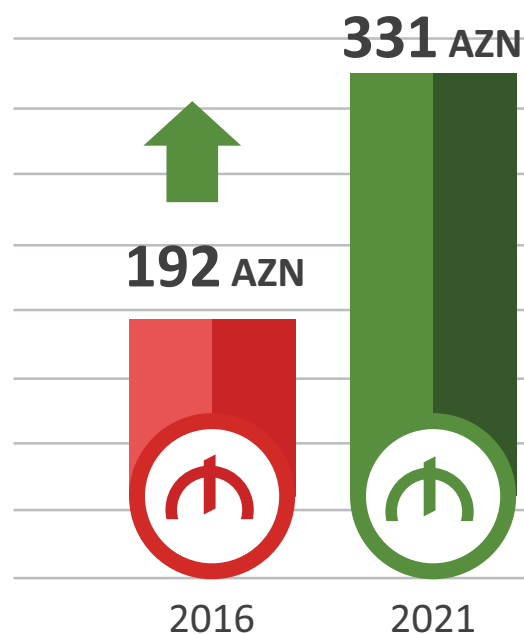
(Including decisions made by the end of 2021 compared to 2016)

MINIMUM AMOUNT OF LABOR PENSION

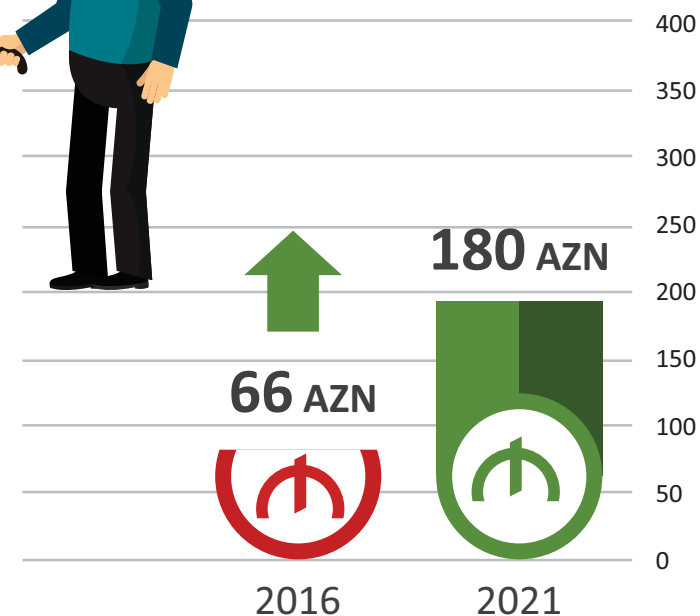


AVERAGE MONTHLY AMOUNT OF PENSIONS

* - for 11 months of 2021



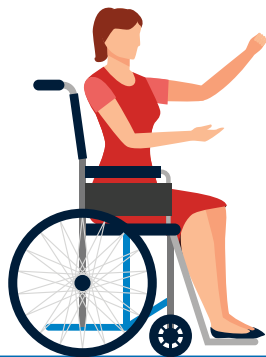
MONTHLY BENEFIT FOR AGE



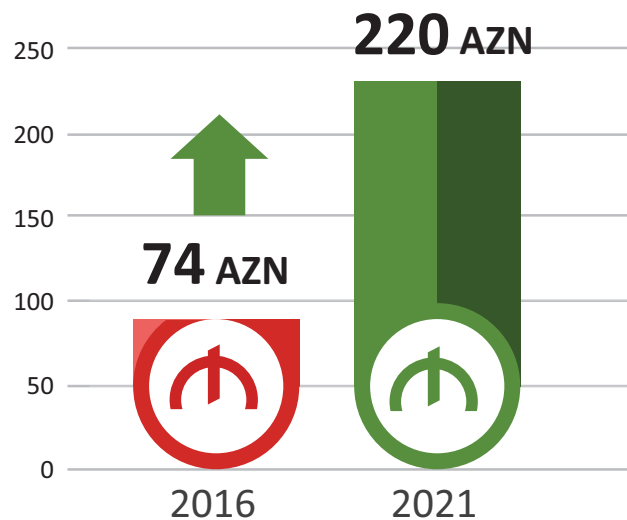
REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

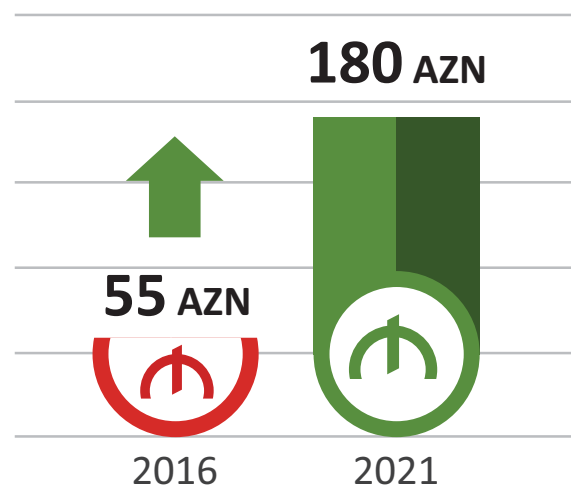
MONTHLY DISABILITY ALLOWANCES



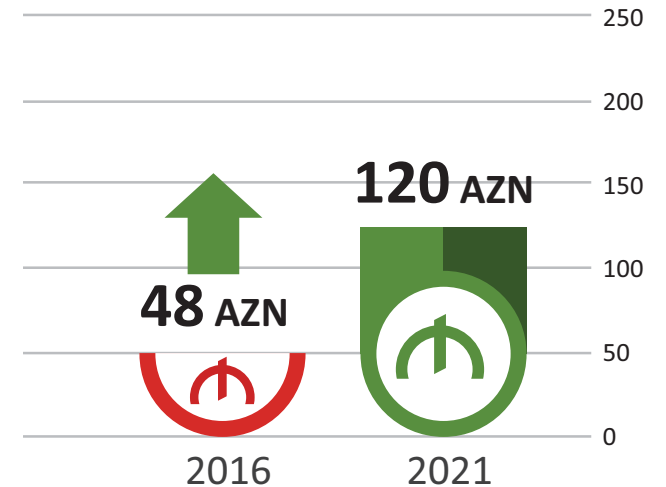
FOR I DEGREE DISABILITY



FOR II DEGREE DISABILITY



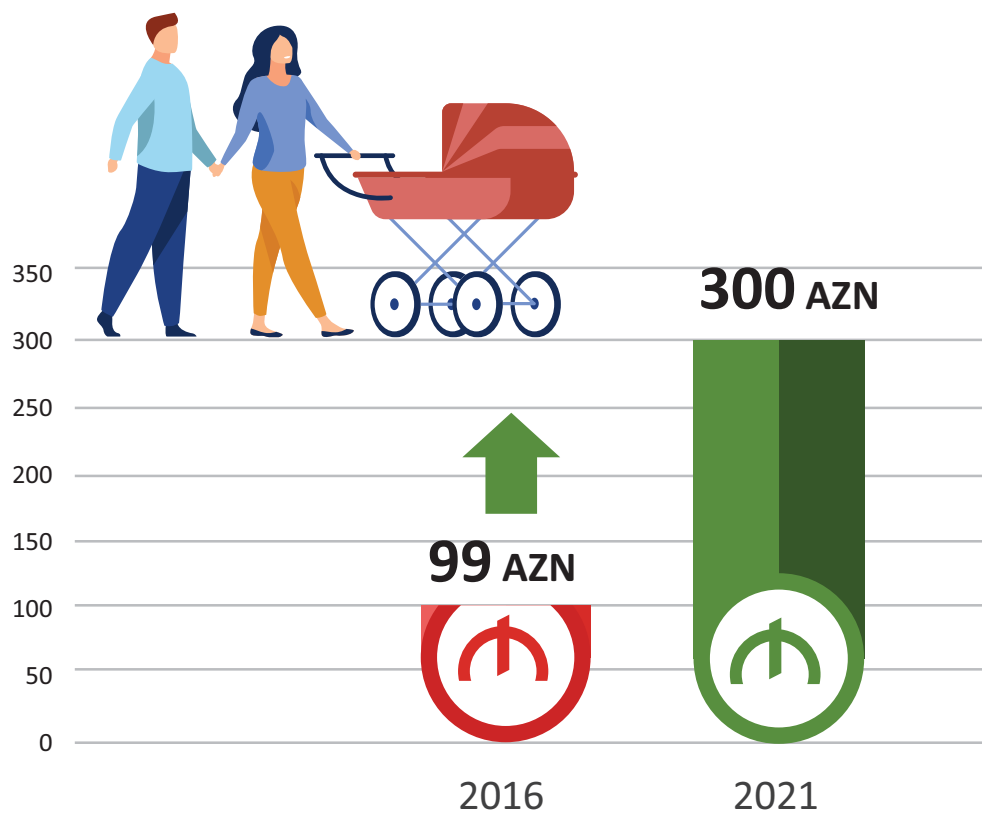
FOR III DEGREE DISABILITY



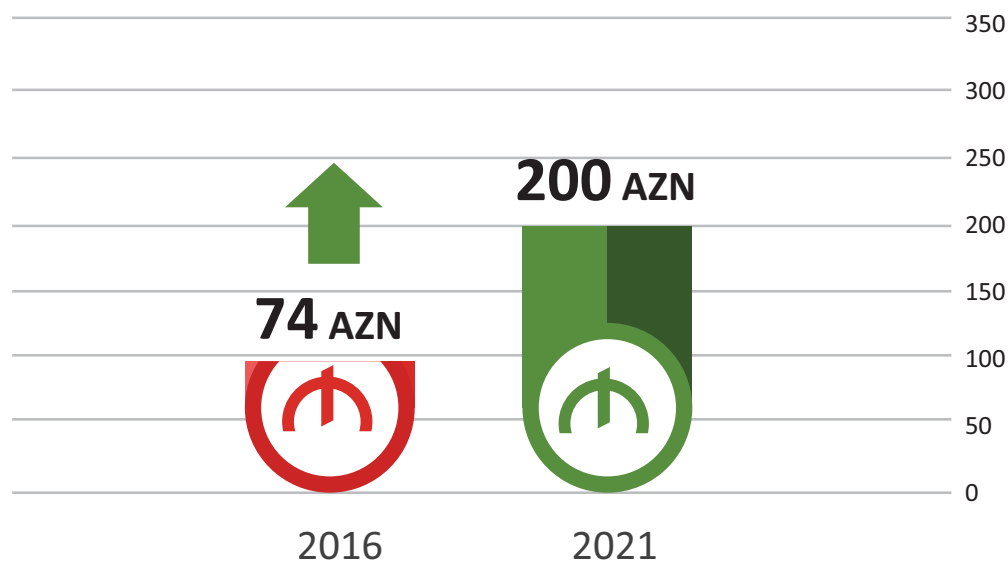
REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

LUMP-SUM BENEFIT FOR CHILDBIRTH



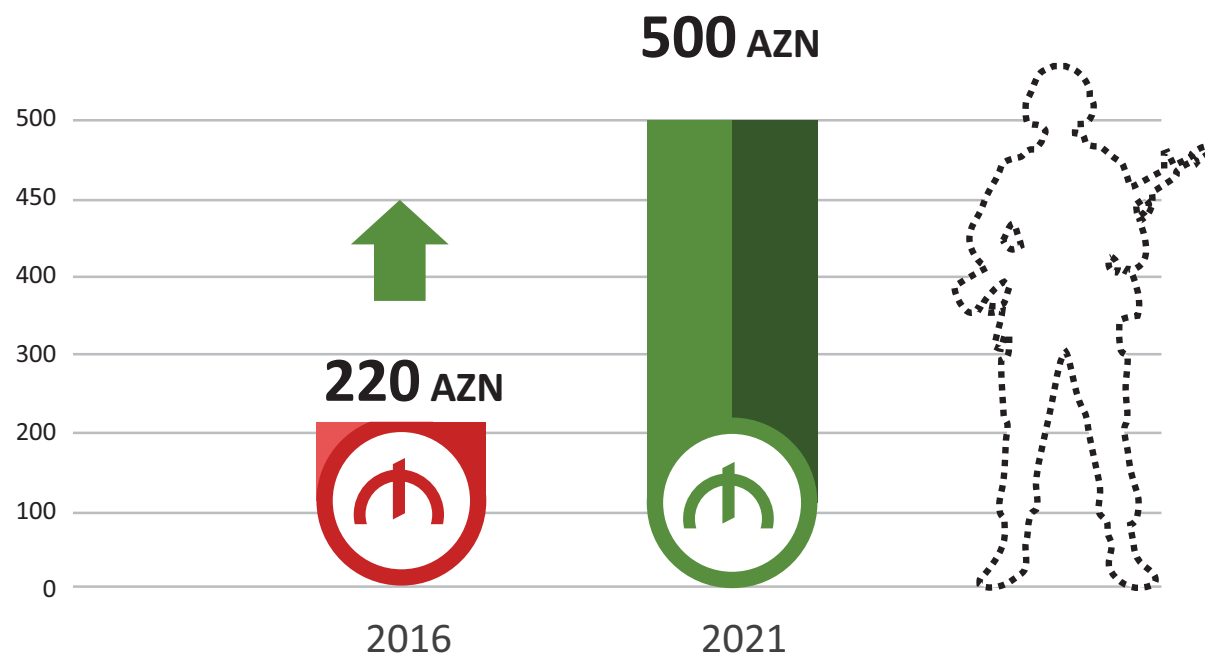
THE MONTHLY ALLOWANCE FOR CHILDREN WITH DISABILITIES



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

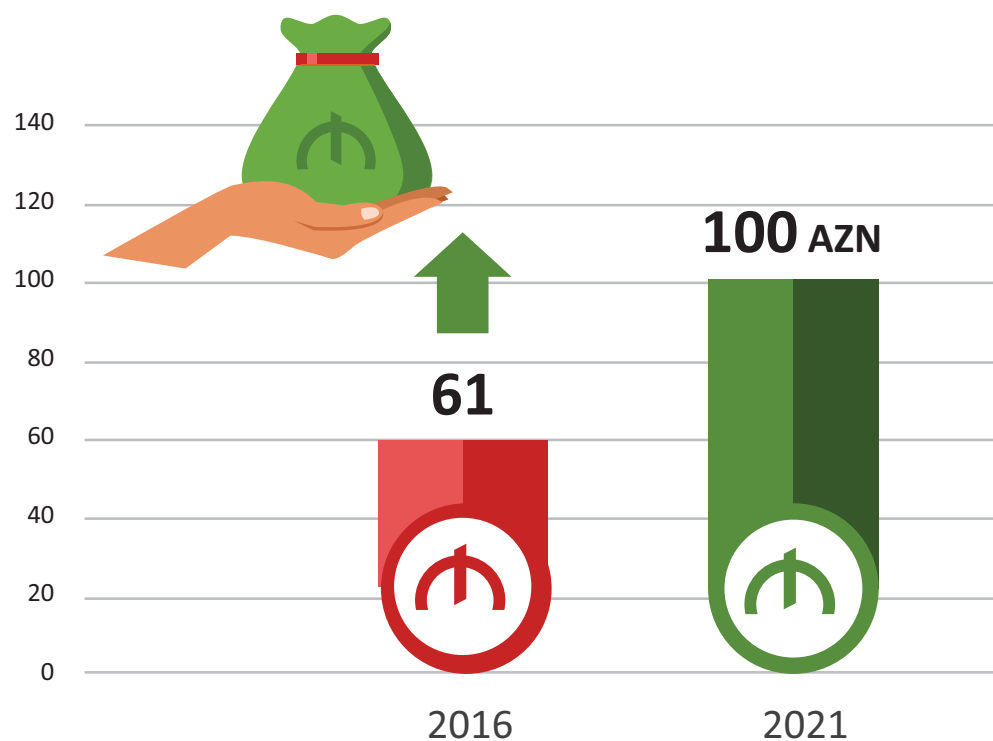
PRESIDENTIAL GRANT TO THE FAMILY OF MARTYR



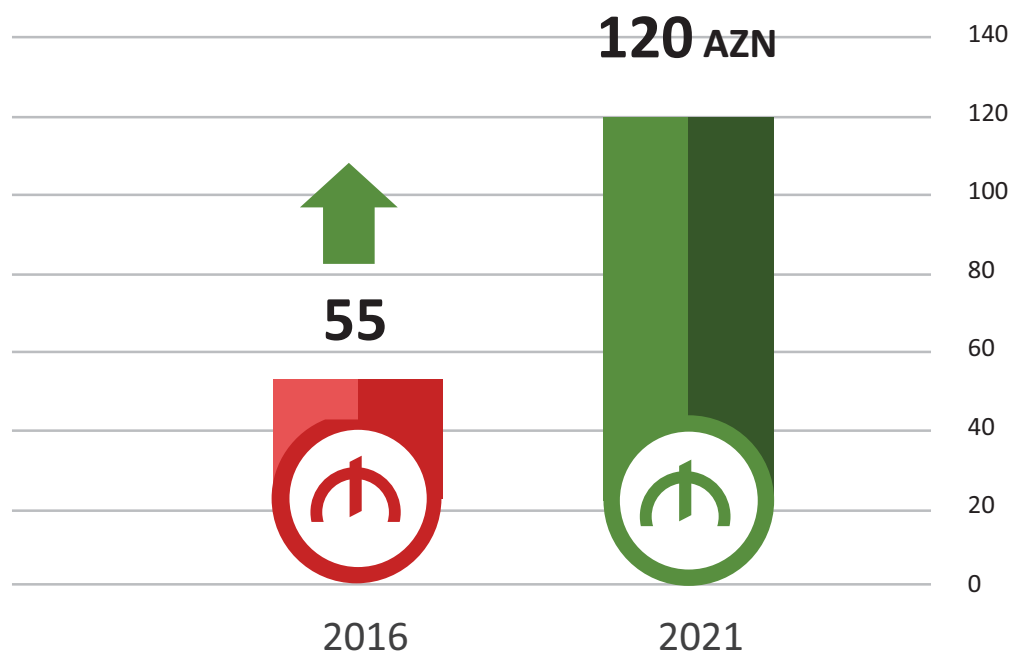
REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

BENEFIT FOR LOSS OF THE HEAD OF THE FAMILY



BENEFITS FOR GUARDIANS OF ORPHANS



REFORMS ON THE AFFORDABILITY OF CITIZENS' HOUSING, FINANCIAL WELL-BEING AND SOCIAL SECTOR

(Including decisions made by the end of 2021 compared to 2016)

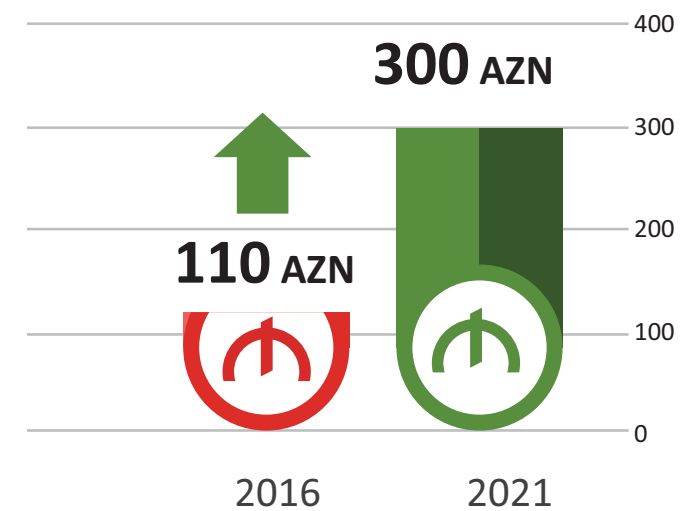
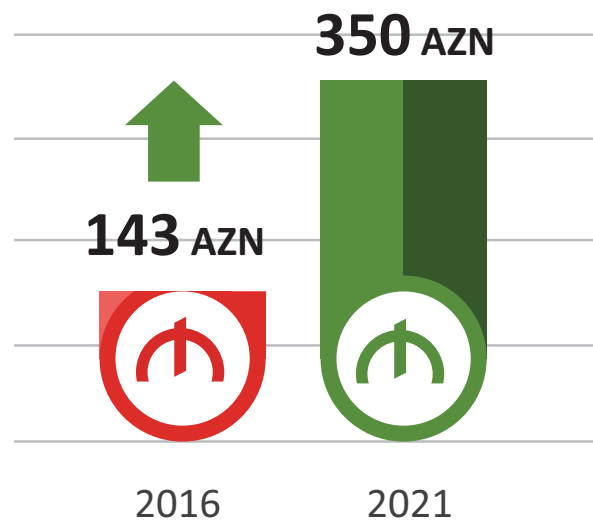
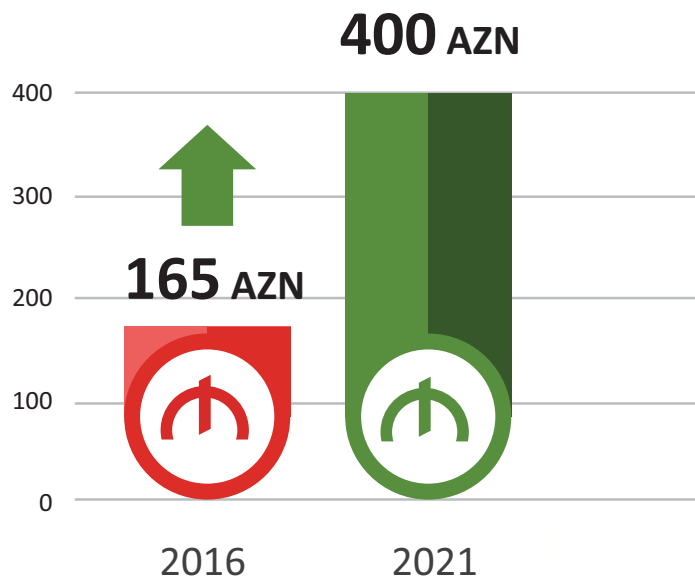


**PRESIDENTIAL GRANT TO PERSONS WITH DISABILITIES IDENTIFIED
IN CONNECTION WITH THE WAR OR THE EVENTS OF JANUARY 20, 1990**

FOR I DEGREE DISABILITY

FOR II DEGREE DISABILITY

FOR III DEGREE DISABILITY



DETAILED EXECUTION STATUS
OF THE STRATEGIC ROADMAPS FOR
NATIONAL ECONOMY AND KEY SECTORS OF
THE ECONOMY FOR 2017-2021



STRATEGIC ROADMAP FOR **NATIONAL ECONOMY PERSPECTIVE** OF THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROADMAP FOR NATIONAL ECONOMY PERSPECTIVE OF THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully executed actions	Note
1	1.1.1. Create alignment on golden rule principles	The Law of the Republic of Azerbaijan "On Amendments to the Law of the Republic of Azerbaijan On Budget System" No. 1198-VQD dated June 29, 2018 was adopted and the Presidential Decree No. 411 dated December 18, 2018 on "Rules for calculating the upper limit amount of the consolidated budget expenditures in accordance with the budget rule" was approved.
2	1.1.2. Define and adopt "golden rule" mechanism and parameters	
3	1.2.1. Establish medium term expenditure framework	"On Amendments to the Decree of the President of the Republic of Azerbaijan No. 235 of August 24, 2018" On Additional Measures to Ensure the Implementation of the Medium-Term Expenditure Framework and Approval of the "Rules for the Preparation of the Medium-Term Expenditure Framework", February 4, 2019 Decree No. 513 envisages the introduction of the Medium-Term Expenditure Framework for pilot sectors from 2021. Medium-Term Expenditure Framework ("Education", "Agriculture" and "Environmental Protection" sections) is reflected in the state budget project for 2021.
4	1.2.2. Implement outcome based budgeting mechanism	The "Rules for the preparation of the Medium-Term Expenditure Framework" were approved by the Decree of the President of the Republic of Azerbaijan No. 235 dated August 24, 2018, as well as the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 571 dated December 28, 2018 on "Rules for preparation of sector strategic plans of budget organizations in the Republic of Azerbaijan"
5	1.3.1. Ensure macroeconomic coordination	The Financial Stability Council of the Republic of Azerbaijan was established by the Decree of the President of the Republic of Azerbaijan No. 995 dated July 15, 2016 in order to ensure macroeconomic and financial stability. "Regulations of the Financial Stability Council of the Republic of Azerbaijan" were approved by the Decree of the President of the Republic of Azerbaijan No. 1565 dated July 31, 2017(decree no. 995 were annulled on 09.09.2020, decree no. 1565 were annulled on 12.02.2021). The Economic Council of the Republic of Azerbaijan was established by the Decree of the President of the Republic of Azerbaijan No. 1151 dated September 9, 2020 in order to establish a new governance framework for economic policy and economic reforms. At the same time, the "Regulations on the Economic Council of the Republic of Azerbaijan" were approved by the Decree of the President of the Republic of Azerbaijan No. 1285 dated February 12, 2021.
6	1.3.2. Target a new alternative anchor	Preliminary preparations have been made to target the new alternative anchor and relevant targets have been identified.
7	1.3.4. Improve the activities of interbank market	The relevant Action Plan has been prepared and approved. In order to improve the functioning of the interbank market, and the necessary measures were implemented on the basis of this Action Plan. Amendments have been made to the law "on Banks" and other normative legal acts in order to improve the functioning of the interbank market. "Provision of non-functional (toxic) assets within the framework of the resolution and rehabilitation of failed banks" were approved by the the Decree of the President of the Republic of Azerbaijan No.1360 dated May 3,2017. Decree No. 551 of the President of the Republic of Azerbaijan dated February 28, 2019 "On additional measures to address problematic loans of individuals in the Republic of Azerbaijan" was signed.
8	1.3.5. Form and manage adequate economic expectations	A communication strategy has been developed and approved to ensure effective delivery of monetary policy to the public, monetary policy expectations have been communicated, and keeping inflation within the target range has been ensured.



STRATEGIC ROADMAP FOR NATIONAL ECONOMY PERSPECTIVE OF THE REPUBLIC OF AZERBAIJAN

9	2.1.1. Establish a regulatory framework related to the improvement of efficiency in the activities of legal entities whose control stock belongs to government	Resolution of the Cabinet of Ministers of the Azerbaijan Republic of June 4, 2019 No. 257 "About approval of number of regulatory legal acts in connection with increase in efficiency of activities of legal entities whose controlling stake of shares (shares) belongs to the state", "Rules and standards of corporate management in joint-stock companies which controlling stake of shares (shares) belongs to the state" and "Payment procedure of bonuses to members of governing bodies of legal entities on the basis of the payment system ("Performance Based Remuneration System") which is based on results of activities of legal entities have been approved. "Azerbaijan Investment Holding" was established according to the Decree of the President of the Republic of Azerbaijan No. 1120 dated 7 August 2020 and "Charter of the Azerbaijan Investment Holding" was approved. "The composition of Supervisory Board of Azerbaijan Investment Holding" of the Republic of Azerbaijan was approved by the order of the President of the Republic of Azerbaijan No. 2210 dated 12 August 2020. Also, "The list of state-owned companies and enterprises, as well as economic societies with state-owned shareholding" was approved by the Decree of the President of the Republic of Azerbaijan No.1174 dated 5 November 2020. The relevant state enterprises mentioned in the list were initially transferred to the management of the Azerbaijan Investment Holding based on the relevant orders of the President of the Republic of Azerbaijan.
10	Establish a regulatory framework related to the improvement of efficiency in the activities of legal entities whose control stock belongs to government	The "List of state-owned enterprises to be kept in state ownership in the medium term" has been updated considering the criteria identifying the needs based on state ownership.
11	2.1.2-1. Accelerate state property privatization and improve governance efficiency	In accordance with the Decree of the President of the Republic of Azerbaijan No. 1003 dated July 19, 2016 "On some measures to accelerate state property privatization and improve governance efficiency", necessary measures were taken to accelerate work in the relevant field, privatization portal was established, Management structures were optimized by carrying out restructuring measures, shares of 6 joint-stock companies were sold and their full privatization was ensured.
12	3.1.1. Improvement of the level of coverage of preschool education and enhancement of training-education technologies	The Law of the Republic of Azerbaijan No. 585-VQ dated April 14, 2017 "On Preschool Education" was adopted, and in accordance with the relevant decisions of the Cabinet of Ministers, school preparation of 5-year-old children in secondary schools was started at the expense of the state budget. The level of involvement of 5-year-old children in education has increased from 24% in 2013 to 80% in 2020. The number of children has reached 9,207 within the community-based preschool education project.
13	3.1.2. Improve general education and develop specialization	The Law of the Republic of Azerbaijan No. 1532-VQ dated March 29, 2019 "On General Education" was adopted, the diagnostic assessment of knowledge and skills of teachers working in general education institutions was successfully completed, a total of more than 150,000 teachers' weekly workload was raised 1.5 times, and salaries were raised 2 times.
14	3.1.3. Adapt basic vocational and secondary trade education to the requirements of the labor market	The Law of the Republic of Azerbaijan "On Vocational Education" No. 1071-VQ dated April 24, 2018 was adopted, 24 vocational education centers were established on the basis of 55 vocational education institutions within the framework of optimization of vocational education institutions. With the relevant resolutions of the Cabinet of Ministers of the Republic of Azerbaijan, "State Standards of Vocational Education" and "Non-formal and informal forms of vocational education for citizens to assess and recognize the knowledge, skills, competencies and experience acquired by citizens Rule" was approved.
15	3.1.4. Promote the development of "education – research – innovation" model at higher education institutions	"State Program on Increasing the International Competitiveness of the Higher Education System in the Republic of Azerbaijan for 2019-2023", was approved by the Order No. 711 of the President of the Republic of Azerbaijan dated 16 November 2018. In order to increase the accessibility of higher education and stimulate the involvement of the youth in higher education, the forecast of admission of students to the bachelor's level of higher education institutions and the admission plan for the state order has been increased. The requirement for "Research University" status for higher education institutions was approved. A system of differentiated wages and incentives has been introduced in a number of universities such as Azerbaijan State University of Economics, Azerbaijan State Oil and Industry University, Azerbaijan University of Architecture and Construction.
16	3.1.6. Improve the quality of education through innovative training methods and technologies	The STEAM project, which unites more than 25,000 students in 147 secondary schools has been launched, and in-service training has been provided for mathematics teachers to use the international PolyUp platform and increase their thinking skills. Azerbaijan has restored its participation in international assessment surveys and improved its results.



STRATEGIC ROADMAP FOR NATIONAL ECONOMY PERSPECTIVE OF THE REPUBLIC OF AZERBAIJAN

17	3.1.7. Improve the material and technological infrastructure involved in the development of human capital	Access to corporate Intranet and Internet networks of 4140 educational institutions across the country was provided, educational institutions were provided with 9000 laptops, 262 Lego Education Mindstorms EV3 robot sets, creation of Azerbaijani language electronic resources was continued, 760 Khan Academy video classes have been adapted to the national curriculum and placed on the video.edu.az portal, tmis.edu.az website has been created to ensure one-page access to all electronic systems of the Ministry of Education.
18	3.2.1. Establish a supportive system	In accordance with the Law of the Republic of Azerbaijan No. 765-VQ of June 30, 2017 "On Unemployment Insurance", funds are allocated annually from the budget of the Unemployment Insurance Fund for the organization of vocational education and training. At the same time, in accordance with the Law of the Republic of Azerbaijan "On Employment" No. 1196-VQ dated June 29, 2018, the country provides vocational training for job seekers and unemployed people. In accordance with the Law of the Republic of Azerbaijan "On Employment" within the framework of the establishment of supportive system, a vacancy bank was established to facilitate the recruitment process of job seekers and the unemployed.
19	3.2.2. Encourage manufacturing and investment	The "Rules for issuing investment promotion documents" were approved by the Decree of the President of the Republic of Azerbaijan No. 745 dated January 18, 2016. Decree No. 451 of the President of the Republic of Azerbaijan dated December 28, 2018 "On further improvement of governance in the field of export and investment promotion" was signed, "Azerbaijan Export & Investment Promotion Foundation" public legal entity under the Ministry of Economy of the Republic of Azerbaijan has been established. At the same time, "Rules of State Support for Domestic Market Research to Promote Competitive Production of Micro, Small and Medium Enterprises" was approved by the Decree of the President of the Republic of Azerbaijan No. 713 dated May 29, 2019.
20	3.2.4. Implement sector-based labor productivity initiatives	"The Employment Strategy of the Republic of Azerbaijan for 2019-2030" was approved by the Order No.602 of the President of the Republic of Azerbaijan dated 30 October 2018, and "action plan for 2020-2025 to implement the Employment Strategy" was approved by the Order No.1816 of the President of the Republic of Azerbaijan dated 13 February 2020.
21	4.1.2. Encourage an efficient taxation system	In order to promote an efficient tax system, provisions on supporting entrepreneurship and economic development in the country, expanding the rights of taxpayers, stimulating the development of small and medium entrepreneurs and reducing their administrative burden have been included (30.11. 2018, 1356-VQD; 29.11.2019, 1704-VQD and etc) in the Tax Code of the Republic of Azerbaijan. In connection with the promotion of an effective tax system, comprehensive measures have been taken to further improve tax administration.
22	4.1.3. Increase the flexibility and efficiency of public services	<p>"The Regulation on preparation and issuance of technical specifications, project design documentations to get electricity power (or capacity) for existing and projected construction facilities of entrepreneurs with a required capacity of total power up to 150 kW (from existing 0,4 kW distribution network, including 150 kW), as well as the connecting to the power supply network" was approved by the Decree No.1313 of the President of the Republic of Azerbaijan dated 4 April 2017.</p> <p>"Rules for the formation, maintenance, integration and archiving of state information resources and systems" was approved by the Decree No.263 of the President of the Republic of Azerbaijan dated 12 September 2018, Concept of "Government Cloud" (G-cloud) was approved by the Decree No.718 dated 3 June 2019.</p> <p>"Electronic court" information system was further improved and Regulations on "Electronic court information system" were approved by the Decree of the President of the Republic of Azerbaijan No. 1043 dated June 1, 2020.</p> <p>"Electronic application system for obtaining construction permit", "New digital electronic system for connection to power networks", "Digital electronic registration system for legal entities", "Public procurement single web portal" and other electronic information systems has been established.</p>



STRATEGIC ROADMAP FOR NATIONAL ECONOMY PERSPECTIVE OF THE REPUBLIC OF AZERBAIJAN

23	4.1.4. Conclude free trade agreements	In order to conclude free trade agreements, the practice of a number of countries has been studied, similar agreements concluded by these countries and their interaction in trade have been analyzed in detail. "Memorandum of Understanding on the preferential trade agreement between the Government of the Republic of Azerbaijan and the Government of the Republic of Turkey" was signed.
24	4.1.5. Establishment of technical regulation and national standardization system in line with international requirements and its application in support areas for business environment	The Law of the Republic of Azerbaijan No. 1669-VQ "On technical regulation" was approved on 30 September 2019 and the Law No. 1587-VQ "On standardization" was approved on May 17, 2019.
25	4.2.1. Establish a committee for the purpose of increasing business suitability in the Republic of Azerbaijan and improving Azerbaijan's position in international rankings	<p>The activity of the Commission on Business Environment and International Ratings established by the Order No. 2199 of the President of the Republic of Azerbaijan dated July 13, 2016 was organized. "Action Plan for the implementation of the Order of the President of the Republic of Azerbaijan dated July 13, 2016 No. 2199" "On additional measures to improve the business environment and further improve the position of our country in international rankings" was approved by the Order of the President of the Republic of Azerbaijan No. 2947 dated June 2, 2017. At the same time, the "Regulation on Commission on Business Environment and International Rankings" was approved by the Order of the President of the Republic of Azerbaijan No.431 dated 28 August 2017 and Internet portal of the commission was created(https://azranking.az/).</p> <p>Improving Azerbaijan's position to the highest level in international rankings has been ensured. Azerbaijan has been named the world's most reformist country in the last two issues of the World Bank's Doing Business report, ranking 28th out of 190 countries. (65th in 2017).</p> <p>According to the Economic Freedom Index, our country's position is ranked 38th in 2021(91st in 2016). According to that report, for the first time in 2021, Azerbaijan has risen from the category of "moderately free" countries to the category of "mostly free" countries, which also includes the developed countries of the world and Europe (USA, Great Britain, Canada, Japan, Germany, etc).</p> <p>According to the World Economic Forum's "Global Competitiveness Report 2019", Azerbaijan ranks 58th out of 141 countries(69th in 2018).</p>
26	4.2.2. Improve statistic infrastructure	Measures have been taken to develop the methodological framework for official statistics, improve the system of statistical tools, develop quality management and metadata systems in the statistical system, expand the application of ICT and statistical innovations in the statistical production process, strengthen the material and technical base of state statistics bodies and strengthen cadre potential.



STRATEGIC ROADMAP FOR NATIONAL ECONOMY PERSPECTIVE OF THE REPUBLIC OF AZERBAIJAN

27	4.3. Implement institutional reforms	<p>In 2016, the Board of Appeal under the President of the Republic of Azerbaijan, Financial Market Supervisory Authority of the Republic of Azerbaijan, the State Examination Center public legal entity of the Republic of Azerbaijan, the Center for Analysis of Economic Reforms and Communication, the State Housing Development Agency of the Republic of Azerbaijan, the State Agency for Vocational Education under the Ministry of Education, "Azerkhalcha" Open Joint Stock Company and ANAS High Technologies Park were established. At the same time, Appeal Councils have been established in central and local executive bodies of the Republic of Azerbaijan.</p> <p>According to the Decree of the President of the Republic of Azerbaijan No. 1125 dated November 24, 2016 "On some measures to improve public administration in the Republic of Azerbaijan", relevant public legal entities on the basis of relevant state bodies having the status of central executive power have been established.</p> <p>In 2017, Ministry of Transportation was merged with the Ministry of Communication and Information Technologies and the Ministry of Transport, Communications and High Technologies was established, State Agency of Azerbaijan Automobile Roads, Food Safety Agency of the Republic of Azerbaijan, Energy Regulatory Agency under the Ministry of Energy, "Azerbaijan Industrial Corporation" Open-Joint Stock Company, Agro Procurement and Supply Open-Joint Stock Company were established. In 2018, Reserves Management Center of the State Tourism Agency was established.</p> <p>According to the Decree of the President of the Republic of Azerbaijan No. 1616 dated November 28, 2019 "On improving the management of the regulation and supervision system in the financial services market", the Financial Market Supervisory Authority was liquidated and the relevant powers and property were transferred to the Central Bank of the Republic of Azerbaijan.</p> <p>"Center for Analysis and Coordination of the Fourth Industrial Revolution" public legal entity under the Ministry of Economy of the Republic of Azerbaijan was established by the Decree No.1245 of the President of the Republic of Azerbaijan dated 6 January 2021.</p> <p>"Araz Valley Economic Zone" Industrial Park was established in the territory of East Zangazur economic region, Jabrayil region" by the Decree of the President of the Republic of Azerbaijan No. 1453 dated October 4, 2021.</p> <p>In 2021, the Education Development Fund public legal entity under the Ministry of Education was established and documents related to the activities of the fund were approved.</p>
S/s	Name of the partly executed measures	Note
1	1.3.3. Ensure transition to fully floating exchange regime	Relevant research has been conducted in the implementation of the measure.
2	2.1.2-2. Conduct state-owned enterprise (SOE) reform program to improve governance and efficiency	<p>Resolution of the Cabinet of Ministers of the Azerbaijan Republic of June 4, 2019 No. 257 "About approval of number of regulatory legal acts in connection with increase in efficiency of activities of legal entities whose controlling stake of shares (shares) belongs to the state", "Rules and standards of corporate management in joint-stock companies which controlling stake of shares (shares) belongs to the state" and "Payment procedure of bonuses to members of governing bodies of legal entities on the basis of the payment system ("Performance Based Remuneration System") which is based on results of activities of legal entities have been approved.</p> <p>"Azerbaijan Investment Holding" was established according to the Decree of the President of the Republic of Azerbaijan No. 1120 dated 7 August 2020 and "Charter of the Azerbaijan Investment Holding" was approved.</p> <p>"The composition of Supervisory Board of Azerbaijan Investment Holding" of the Republic of Azerbaijan was approved by the order of the President of the Republic of Azerbaijan No. 2210 dated 12 August 2020. Also, "The list of state-owned companies and enterprises, as well as economic societies with state-owned shareholding" was approved by the Decree of the President of the Republic of Azerbaijan No.1174 dated 5 November 2020. The relevant state enterprises mentioned in the list were initially transferred to the management of the Azerbaijan Investment Holding based on the relevant orders of the President of the Republic of Azerbaijan.</p>



STRATEGIC ROADMAP FOR NATIONAL ECONOMY PERSPECTIVE OF THE REPUBLIC OF AZERBAIJAN

3	2.2.1. Administer the privatization agenda for classified assets that can be offered for privatization in future	Decree of the President of the Republic of Azerbaijan dated 1 April 2019 "On application of the Law of the Republic of Azerbaijan No. 1527-VQ dated 5 March 2019" regarding "regulation of debts on property and land taxes available to the state property (enterprises) privatized as of 1 March,2019, the Law of the Republic of Azerbaijan No. 1527-VQ dated 5 March 2019 "On regulation of debts on property and land taxes available to the state property (enterprises) privatized as of 1 March,2019", Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 381 of September 4, 2019 "On approval of the" Rules for the formation and use of a single database on large state-owned companies " were adopted. A draft normative legal act on privatization and transfer of state property has been prepared.
4	2.2.2. Apply the established privatization approach in priority sectors	
5	2.3.1. Apply structural approach to the most suitable investor profiles	International practice on applying structural approach to the most suitable investor profiles has been studied and a project has been developed.
6	3.1.5. Support development of scientific – research activities and knowledge – based society building	Decree of the President of the Republic of Azerbaijan No. 363 dated November 26, 2018 on the application of the Law "On Amendments to the Law of the Republic of Azerbaijan" On Science ", resolutions of the Cabinet of Ministers "On Amendments to the Rules of Organizing and Conducting Scientific Expeditions in the Republic of Azerbaijan" and "On Establishment of the Coordination Council for Scientific Research of the Republic of Azerbaijan" were adopted.
7	3.2.3. Promote investments in innovation activities	Order No. 881 of the President of the Republic of Azerbaijan dated January 10, 2019 "On ensuring coordination in the field of innovative development in the Republic of Azerbaijan" was signed.
8	4.1.1. Develop a free competition environment	In order to ensure the coordinated activities of state bodies responsible for creating favorable conditions for economic growth, the State Service for Antimonopoly Policy and Consumer Market Supervision of the Republic of Azerbaijan has been integrated into the structure of the Ministry of Economy of the Republic of Azerbaijan in the status of public services by the Decree of the President of the Republic of Azerbaijan No. 845 dated 23.10.2019 "on expanding the functions and structure of the Ministry of Economy of the Republic of Azerbaijan". Works have been done on improving the Competition Code project by studying international practice in order to further improve the competition legislation.
9	4.2.3. Implement a foreign direct investment strategy through good management and efficient incentives	Development of draft strategy is in process in order to promote foreign direct investment.



STRATEGIC ROADMAP FOR DEVELOPMENT OF HEAVY INDUSTRY AND MACHINERY MANUFACTURING IN THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROADMAP FOR DEVELOPMENT OF HEAVY INDUSTRY AND MACHINERY MANUFACTURING IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully executed measure	Note
1	1.1.1. Undertake an analysis of lean production methods	International practice on cost-effective production methods has been studied, projects have been developed, analytical and promotional publications have been published to inform about cost-effective production methods ("Cost-effective production methods: PULL "production"), "Cost-effective production methods: Poka-Yoke").
2	1.1.2. Support the establishment of a model factory based on private investment	"Khazar" automobile plant in the Neftchala industrial park opened on March 29, 2018. High voltage equipment fabrication plant of "ATEF Group of Companies" opened in Surakhani district of Baku on 22 May 2018. Non-ferrous metals and foundry plant owned by Baku Non Ferrous and Foundry Company LLC was inaugurated in Sumgayit Chemical Industrial Park on 16 November, 2018.
3	1.1.3. Improve the staffing level of enterprises	In accordance with the requirements of the labor market, new competency-based educational programs have been developed and approved for the bachelor's degree in higher education in "Metallurgical Engineering" and "Mechanical Engineering", "Mining Engineering" and "Oil and Gas Engineering". Since the 2020-2021 academic year, these educational programs are applied in relevant higher education institutions. At the same time, during 2019, Curriculum and modules / teaching aids were developed for 8 specialties taught at the new Vocational Education Center established on the basis of Korean educational standards on the basis of Baku State Vocational Education Center for Industry and Innovations. Cooperation between vocational education institutions and market entities was continued.
4	1.1.5. Support the establishment of sectorial associations and ensure their continuous operation	On December 28, 2018, the founding meeting of the "Machinery and equipment manufacturers" Association was held at the Baku Business Center with the participation of representatives of enterprises operating in this field.
5	1.2.1. Optimize energy balance, match demand and supply	The project of forecast indicators of fuel and energy balance of the Republic of Azerbaijan for the relevant years has been prepared and approved accordingly. According to the Decree of the President of the Republic of Azerbaijan "On a number of issues related to the application of the Law of the Republic of Azerbaijan" On the State Budget of the Republic of Azerbaijan for 2021", preparation and approval of the country's fuel and energy balance for 2022 and the next three years has been ordered.
6	1.2.2. Stimulate energy use at non-peak times	In order to stimulate the energy use of non-peak hours, the relevant Decision of the Tariff Council provides for direct supply of 35 and 110 kV lines, stable daily load demand, average monthly energy consumption for production purposes not less than 5 million kWh for aluminum industry enterprises, Tariffs for electricity at night (from 22.00 to 08.00) are set lower than during the day (from 08.00 to 22.00).



STRATEGIC ROADMAP FOR DEVELOPMENT OF HEAVY INDUSTRY AND MACHINERY MANUFACTURING IN THE REPUBLIC OF AZERBAIJAN

7	1.2.3. Define privileged tariffs that will be applied to strategically important enterprises	<p>In order to stimulate the energy use of non-peak hours, the relevant Decision of the Tariff Council provides for direct supply of 35 and 110 kV lines, stable daily load demand, average monthly energy consumption for production purposes not less than 5 million kWh for aluminum industry enterprises, Tariffs for electricity at night (from 22.00 to 08.00) are set lower than during the day (from 08.00 to 22.00).</p> <p>At the same time, Supply (sale) of electricity consumed by data centers with direct supply of 35 and 110 kV lines, stable daily load demand, operating for processing, registration and transmission of data with an average monthly energy consumption of not less than 5 million kWh for production purposes is implemented in accordance with Article 22 of the Law of the Republic of Azerbaijan "On Energy", free, reduction of costs and market-oriented pricing.</p>
8	1.2.4. Encourage energy consumers to use energy efficiently	A "Bulletin on Experiences in Guiding Energy Consumers to Energy Efficiency" reflecting the best international examples of energy efficiency in the production process was prepared and sent to industrial enterprises.
9	1.2.5. Ensure energy supply at differentiated and lower tariffs for heavy industry, particularly metallurgy enterprises	In order to stimulate the energy use of non-peak hours, the relevant Decision of the Tariff Council provides for direct supply of 35 and 110 kV lines, stable daily load demand, average monthly energy consumption for production purposes not less than 5 million kWh for aluminum industry enterprises, Tariffs for electricity at night (from 22.00 to 08.00) are set lower than during the day (from 08.00 to 22.00).
10	1.3.1. Create a centralized registry of idle assets	A centralized registry of idle assets has been created.
11	1.3.1-1. Create a centralized registry of natural resources	Implementation of relevant work has been ensured for the execution of the measure.
12	1.3.2-1. Evaluate natural resources included into the centralized registry	Implementation of relevant work has been ensured for the execution of the measure.
13	2.1.1. Prepare a list of products with regional export potential and conduct analyses	A list and analysis report of products with regional export potential has been prepared.
14	2.2.1. Identify products that could be substituted by local production	By analyzing the list of the most imported heavy industrial and machinery - manufacturing products in the country, the products that can be produced profitably in Azerbaijan were identified, the investment promotion document was issued with the involvement of local investors in the production of products that can replace imported local production.
15	2.2.3. Create and operationalize sectorial working groups for machinery and equipment, trailers and semi-trailers, electrical equipment and other motor vehicle manufacturing	Creation of sectorial working groups for machinery and equipment, trailers and semi-trailers, electrical equipment and other motor vehicle manufacturing has been ensured and measures have been implemented in the relevant field.
16	2.2.5. Create joint production capacities in defense industry sector	Relevant measures have been taken to establish joint production ventures in defense industry sector.
17	2.4.1. Promote services in mining industry	In order to increase the provision of ancillary services by local enterprises while working in the mining sector, licenses have been issued in the field of mining, and drilling.
18	3.1.1. Create an investment data bank and update based upon regular analyses	www.enterpriseazerbaijan.com investment portal has been created and updated regularly.
19	3.1.2. Improve the investment environment	Comprehensive measures have been taken to further improve the investment climate and business environment, increase the attractiveness of the competitive environment in the country.



STRATEGIC ROADMAP FOR DEVELOPMENT OF HEAVY INDUSTRY AND MACHINERY MANUFACTURING IN THE REPUBLIC OF AZERBAIJAN

20	3.1.4. Ensure necessary infrastructure for industrial enterprises	Relevant infrastructure works were carried out by "Azerbaijan Investment Company" OJSC, "Sumgayit Chemical Industrial Park" LLC and "Tamiz Shahar" OJSC in order to meet the necessary infrastructure needs in industrial zones, including creation of new infrastructure facilities, improvement of existing infrastructure in industrial parks and industrial districts.
21	3.2.3. Increase transparency and strengthen the content of online resources	The State Fund of Normative Documents on Standardization operates under the Azerbaijan Institute of Standardization (AZSTAND) based on "Rules for Organization, Maintenance, Actualization and Protection of the State Fund for Standardization" approved by the Cabinet of Ministers Resolution No. 492 of December 14, 2020 and the Law of the Republic of Azerbaijan "On Standardization". "Catalog of state standards 2021" has been presented on the website of the institute.
22	3.2.4. Promote the creation of national brands in industrial enterprises	Supportive measures have been taken to create national brands in industrial enterprises, and relevant work has been done to promote national brands.
S/s	Name of the partly executed measures	Note
1	1.1.4. Strengthen relationship between scientific research organizations and enterprises	New relations have been established between scientific research organizations and enterprises. Azerbaijan Technical University, Institute for Scientific Research on Economic Reforms and Russia's Center for Innovative Development and Certification -INNOPROM "commercial organization signed a cooperation agreement to promote the best technological solutions in the Russian Federation and CIS countries, to implement joint technological projects, Institute of Petrochemical Processes of ANAS," Eninco Engineering B.V company" of the Netherlands ", "ANAS High Technologies Park" LLC and "Iron Technology Center" LLC signed a memorandum of understanding for joint cooperation in the implementation of experimental production on the basis of laboratory, technical and technological equipment.
2	1.3.2. Evaluate assets included into the centralized registry	The amount of investment required for rehabilitation measures has been calculated from the idle assets included in the centralized registry of non-industrial assets.
3	1.3.3. Carry out revitalization activity	Technical-economic and financial justifications are being carried out for assets (enterprises) that are considered to be potentially competitive.
4	2.2.2. Strengthen the regulatory framework for local content	The level of use of the products of local machinery-manufacturing enterprises has been analyzed, and a number of measures have been taken to expand consumer and producer relations in connection with the development of national content.
5	2.2.4. Create joint production areas in the petroleum machinery manufacturing sector	Information on the manufacturers of the main petroleum machinery manufacturing equipment imported to the country has been prepared.
6	2.3.2. Develop non-ferrous metallurgy industry	The local raw material base of non-ferrous metallurgy has been analyzed, a number of works have been carried out to reconstruct processing plants that will produce final aluminum products.
7	2.4.2. Promote the expansion of export potential of services	The services to be provided in the field of installation and repair of machinery and equipment and the enterprises providing these services have been identified.
8	3.1.3. Introduce new financing mechanisms	International practice in the application of new financing mechanisms, including startups, venture funds, "angel investors", "trust funds" has been studied.
9	3.2.1. Ensure alignment with international standardization system	Laws of the Republic of Azerbaijan No. 1669-VQ of September 30, 2019 "On Technical Regulation" and No. 1587-VQ of May 17, 2019 "On Standardization" were adopted. The State Fund of Normative Documents on Standardization operates under the Azerbaijan Institute of Standardization (AZSTAND) based on "Rules for Organization, Maintenance, Actualization and Protection of the State Fund for Standardization" approved by the Cabinet of Ministers Resolution No. 492 of December 14, 2020 and the Law of the Republic of Azerbaijan "On Standardization". "Catalog of state standards 2021" has been presented on the website of the institute.
10	3.2.2. Build a modern management system in industrial enterprises	Taking into account international practice, proposals have been developed for the establishment of a modern management system in industrial enterprises.



**STRATEGIC ROADMAP FOR
UTILITY SERVICES
(ELECTRICITY AND HEAT ENERGY, WATER AND GAS)
IN THE REPUBLIC OF AZERBAIJAN**



STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully executed measures	Note
1	1.1.1. Consider the establishment of a single regulatory body in the utilities sector	Energy Regulatory Agency under the Ministry of Energy of the Republic of Azerbaijan was established By the Decree of the President of the Republic of Azerbaijan No. 1750 dated December 22, 2017. The Energy Regulatory Agency is a public legal entity that regulates relations between producers, transmitters, distributors, suppliers and consumers in the field of electricity and heat energy, as well as gas supply in the Republic of Azerbaijan, analyzes the activities of enterprises, makes proposals on restructuring measures, develops incentive mechanisms for investment, provides engineering communications and monitors compliance with systems and service quality requirements.
2	1.1.2. Consider the establishment of a dedicated fund in the utilities sector	“Rule on the regulation of mutual payments between legal entities whose control stock belongs to government in the field of electricity and gas supply and the use of received funds” was approved by the resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 91 dated March 14, 2017. Accordingly, mutual payments between legal entities whose control stock belongs to government in the field of electricity and gas supply has been launched in automatic mode under the new scheme.
3	1.1.3. Continue actions towards enhancing the utilities service level	According to the Decree No.434 of the President of the Republic of Azerbaijan dated December 25, 2018 “On further simplification of the processes on connecting to utility services for micro, small and medium enterprises”, the process of connecting relevant business entities to utilities has been further simplified. The activity of “ASAN kommunal” centers has been expanded, on February 12, 2020 in Kurdamir “ASAN Hayat” complex, on March 4, 2020 in Tovuz “ASAN Hayat” complex, on June 3, 2020 in Agjabadi “ASAN Hayat” complex and on 29 July 2020, the opening of the Balakan regional "ASAN service" center took place. A separate section has been established to provide utilities services in the newly opened complexes under the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan and “Azerishig” OJSC, “Azersu” OJSC and “Azerigas” PU provided all opportunities for providing utility services to citizens.
4	1.1.4. Improve the collection of utilities service charges	In accordance with the forms of management defined by the Housing Code of the Republic of Azerbaijan, the possibilities of expanding the use of controllers' activities were analyzed, The Laws of the Republic of Azerbaijan No.1394-VQD dated December 18,2018 “on Amendments to the Housing Code of the Republic of Azerbaijan” and No.1395-VQD dated December 18,2018 "On Amendments to the Code of Administrative Offenses" were adopted.
5	1.1.5. Improve human resourcing in the sector of utilities services	The current situation of human resources in the utilities sector was analyzed, the most popular professions in the utilities sector were identified, and professional standards for those professions were developed.



STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

6	1.1.6. Establish improved regulatory legal framework in the utilities sector	<p>In order to accelerate institutional reforms in the energy sector, improve activities in this field on the basis of international experience, attract private and foreign investment in the development of the sector and create a competitive environment, Presidential Decree No. 1209 dated May 29, 2019 "On the acceleration of reforms in the energy sector of the Republic of Azerbaijan" was signed.</p> <p>Also, in order to regulate the relations between producers, suppliers and consumers in the direction of launching mechanisms to increase the efficiency of the utilities sector, the Cabinet of Ministers of the Republic of Azerbaijan approved the Resolution No.520 dated December 30,2019 "On Rules of technical operation of electrical and heating installations", resolution No.2 dated January 9,2020 "On Rules of financing, creation, protection, use, volume and accounting of fuel reserves", resolution No.40 dated February 11,2020 "On installation of electrical devices ,resolution No.41 dated February 11,2020 - "rules of safety in the operation of electrical and heating devices" Resolution No.65 dated February 24,2020 ", "rules concerning preparation for the autumn-winter season in the fields of power and heat, as well as gas supply".</p>
7	2.1.1. Forecast the domestic demand for electricity	An extensive report on the forecast of domestic demand for electricity has been prepared and the domestic demand for electricity has been forecasted.
8	2.1.2. Prepare feasibility studies to identify priorities for energy sources	Research on solar energy, wind energy, hydropower, biomass with alternative and renewable energy sources has been conducted, initial economic indicators of prioritized wind and solar energy have been calculated, feasibility study on selected priorities has been prepared.
9	2.1.3. Define financing sources for capital investments	On August 21, 2020 in connection with the construction of "Gobu" Power Station (ES) with a capacity of 385 MW and Gobu substation with a capacity of 330/220/110 kV and 1000 megawatt ("Gobu Energy Project") The foundation stone of the Gobu Power Station was laid by President Ilham Aliyev.
10	2.1.4. Create additional generation capacities	<p>1 thermal power plant with 2400 MW capacity was reconstructed, 7 power units or hydraulic units of 4 power plants, 5 units of 2 modular power plants, 930 MVA block transformers of 2 power plants were overhauled, 1308 MW load at power plants restriction was removed.</p> <p>818 MW of renewable capacity falls on thermal power plants, 260 MW on modular power plants, 230 MW on hydropower plants.</p> <p>Construction of 1 substation was completed in 2020, 4 substation were overhauled, 14 transformers were newly installed or replaced with more powerful ones, 255 MW transformers were overhauled in 3 substation s, 104.7 km of new power transmission lines were installed. line was laid, 2098.4 km power transmission line was repaired.</p> <p>Since 2018, in accordance with the new reforms launched in the country's energy system on the instructions of the President of the Republic of Azerbaijan, large-scale repair, restoration and reconstruction work has been carried out to increase the capacity of existing generating capacity, electricity generation and transmission. As a result of modernization works carried out within the framework of the "Rehabilitation Program" adopted in September 2018, more than 1000 MW of "lost" generation capacity of existing power plants was restored in winter mode and more than 800 MW in summer mode.</p>
11	2.2.1. Assess alternative and renewable energy potential	The country's alternative and renewable energy potential has been assessed, the regions with the greatest investment potential have been identified, and a timeline and plan have been developed by prioritizing investments near the areas with the largest production capacity and greatest demand for work.



STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

12	2.2.2. Select operational and financing forms for power stations that require investment	Implementation of pilot projects related to the construction of power plants on renewable energy sources (wind and solar) in the Republic of Azerbaijan by the Order of the President of the Republic of Azerbaijan dated December 5, 2019 No. 1673 "On measures to implement pilot projects in the use of renewable energy sources", the Commission was established to coordinate the implementation. Order No. 2366 of the President of the Republic of Azerbaijan dated December 28, 2020 "On measures to implement a pilot project on the construction of a wind power plant with a capacity of 240 MW" was signed, based on the Order No. 2619 of the President of the Republic of Azerbaijan dated April 30, 2021 The Government and the "ACWA Power Azerbaijan Renewable Energy" Limited Liability Company have approved the "Investment Agreement for the Territorial 1 and Khizi 3 Wind Energy Project in the Republic of Azerbaijan".
13	2.2.3. Public communications regarding the actions to be taken	A public awareness plan on the use of alternative energy potential and the production of carbon-free electricity has been developed and implemented.
14	2.3.1. Investigate export opportunities	In order to justify electricity exports, fuel and other costs for electricity generation, customs costs, transit costs and market participation costs have been analyzed. At the same time, the costs of bringing natural gas to the wholesale market of neighboring countries have been estimated.
15	2.3.2. Conduct feasibility studies to realize export capacity	The export potential of electricity has been studied, the dynamics of development in the energy market has been studied, the infrastructure and costs for export opportunities has been analyzed, and potential countries for export has been identified. Feasibility studies to realize export capacity have been conducted.
16	2.3.3. Establish a working group for actions to be implemented with regard to exports	Working group has been established, a study has been conducted to identify new potential sales opportunities. In order to improve the exchange of electricity with neighboring Georgia and the Islamic Republic of Iran, and increase export opportunities, high-voltage power transmission lines have been laid, 330 kW "Agstafa-Gardabani" transmission has been built and put into operation at a distance of 43.4 km, export capacity doubled (700 MW).
17	3.1.1. Ensure the efficient utilization of power stations' potential	As a result of modernization works carried out within the framework of the "Rehabilitation Program" adopted in September 2018, more than 1000 MW of "lost" generation capacity of existing power plants was restored in winter mode and more than 800 MW in summer mode. As a result of the modernization work, the quality of electricity has been improved and the level of losses has been reduced by increasing efficiency. As a result of the reduction of conventional fuel consumption from 284.0 g / kWh in 2018 to 262.8 g / kWh, 609.6 mln. m3 of natural gas was saved, technical losses in the energy system decreased from 2.24% in 2018 to 1.74%.
18	3.1.2. Consider the privatization potential of power stations	The privatization potential of power stations has been assessed and proposals have been prepared.
19	3.2.1. Define implementation mechanisms to increase efficiency	As a result of the modernization work, the quality of electricity has been improved and the level of losses has been reduced by increasing efficiency. As a result of the reduction of conventional fuel consumption from 284.0 g / kWh in 2018 to 262.8 g / kWh, 609.6 mln. m3 of natural gas was saved, technical losses in the energy system decreased from 2.24% in 2018 to 1.74%.
20	3.2.2. Prepare a master plan for Upgrade works	As a result of modernization works carried out within the framework of the "Rehabilitation Program" adopted in September 2018, more than 1000 MW of "lost" generation capacity of existing power plants was restored in winter mode and more than 800 MW in summer mode.
21	3.2.3. Apply key performance indicators(KPIs) that monitor the quality of electricity transmission	"Standard for control over the main quality indicators of electricity and determination of the source (direction to the source) that distorts the quality indicators of electricity" has been developed for identifying KPI's that monitor the electricity quality for consumers, especially steel and aluminum producers with industrial installations where load fluctuations occur. Standard was registered by the Azerbaijan Institute of Standardization during the reporting period (the standard was approved by the order of the institute dated December 29, 2019, came into force on 02.02.2020) and has been sent to "Azerenergy" OJSC and "Azerishig" OJSC, also steel and aluminium producers to deal with its tasks.



STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

22	3.2.4. Meter installation to minimize losses	<p>Taking into account the development of transmission and distribution networks, an action plan to improve the electricity accounting system has been developed and implemented, and monitoring has been carried out to clarify the information obtained from the meters.</p> <p>During 2020, a total of 231908 units, 214078 units of accounting for residential consumers, 17830 units of accounting sets for non-residential consumers were restored. As a result of the work done, the total collection level of useful electricity sold to consumers has reached 96%.</p>
23	3.2.5. Perform works in electricity networks to meet the demand for electric energy	<p>An action plan prepared to meet the demand for electricity has been implemented. For this purpose, 110/35/10 kilovolt "Buzovna-1" substations in Khazar district, 110/35/10 kilovolt "Bayramzade" in Yasamal district, 110/35/6 kilovolt "Pirallahi" s / s in Pirallahi district were built and put into operation in a modern style.</p>
24	3.2.6. Improve the electricity transmission and distribution system	<p>An action plan prepared to meet the demand for electricity has been implemented, 110/35/10 kV 2x50 MVA "Bayramzadeh" s / s has been built to improve the electricity supply of Baku, to meet the growing demand for electricity, electricity of Absheron peninsula</p> <p>110/35/10 kV "Buzovna-1" s / s with capacity of 2x40 MVA of 110/35/10 kV was put into operation in order to increase the stability and reliability of supply, create the next 110 kV circuit and provide uninterrupted power supply to objects of state importance, 110/35 in Agjabedi / 10 kV 2x20 MVA capacity "Agjabedi-2" and 110/35/6 kV 40-25 MVA "Tartar" s / s in Tartar region were put into operation after reconstruction.</p> <p>Reconstruction works were carried out in the completed 0.4 kV electric networks in order to reduce electricity losses in the regions, to keep accurate electricity records, these works were fully completed in 2020 in 42 villages covering 46 districts, 91 villages and settlements.</p>
25	3.2.7. Create a data bank for transmission and distribution network	<p>"Azerishig" OJSC has expanded and improved the database of the Electronic Map Management System, turned it into the Electronic Appeals Management System.</p>
26	3.2.8. Public communication on losses	<p>The goals and results of the work to minimize losses have been made public. In 2020, the share of technical losses by Azerishig OJSC was reduced to 8.9% (9.7% in 2019).</p>
27	3.2.9. Prioritize loss minimization projects	<p>Existing losses in the electricity distribution network on the balance of "Azerishig" OJSC and voltage less than 110 kV has been identified and priority has been given to these losses within the existing financing opportunities.</p>
28	3.3.3. Consider user consumption forecasts	<p>The impact of tariff changes on electricity consumption has been analyzed, and an increase in domestic demand has been identified by considering future consumption forecasts.</p>



STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

29	4.1.1. Detailed assessment and preparation of a development plan for the existing network	A master plan has been developed for the establishment or modernization of the gas distribution network in areas without gas distribution infrastructure. In accordance with the distribution of funds provided for state capital investment (investment expenditures) in the state budget, gasification of residential areas has been continued. During January-September 2020, 7214.6 km of new gas pipelines were installed, and 225 km of gas pipelines were overhauled to ensure safe and normal operation of the gas pipeline network. As a result of the construction and installation work, 158 settlements were gasified and supplied with natural gas.
30	4.1.2. Announce tenders for the construction of gas distribution lines	Relevant work has been carried out to issue tender announcements covering the criteria for selecting a supplier for the construction of gas distribution lines and monitoring the progress of construction work.
31	4.1.3. Determine key performance indicators (KPI) relating to construction activity	Key performance indicators related to construction activities have been developed and control over the implementation of construction works in accordance with the determined key performance indicators has been ensured.
32	4.1.4. Consider maximizing collection rates and enforcing penalties against illegal gas usage	By September 2020, the number of subscribers supplied with natural gas in the country reached 1,954,584, while SOCAR's Azerigas Production Association continued its activities to supply consumers with natural gas and gasify settlements. During September, 80,598,529 cubic meters of natural gas was sold to the public sector and 135.08 percent of funds were collected in return.
33	4.1.5. Implement alternative supply sources to remote residential settlements where gas service installation is inefficient from a feasibility point of view	An analysis of the efficiency of gasification of remote settlements has been conducted, international practice and solutions to problems in this area have been studied, as well as specific proposals on alternative energy supply to settlements where gas service installation is inefficient from feasibility point of view have been prepared.
34	5.1.1. Assess areas without infrastructure	Areas without potable or wastewater infrastructure have been assessed for efficiency.
35	5.1.2. Increase meter penetration and complete it for commercial groups	In order to measure the level of use of meters, as well as to conduct on-site inspection of water meters in operation on the subscriber base, inspections (monitoring) are carried out in accordance with the "Rules of water use". As a result of the measures taken, the share of registered users without meters in 2020 decreased by 14%(39% in 2015).
36	5.1.3. Announce tenders for infrastructure investment	Within the framework of the measure, tender announcements were issued covering the criteria for selecting a supplier and monitoring the progress of construction work, and as a result of the tender, the necessary work was carried out to improve the infrastructure in accordance with the master plan.
37	6.1.2. Take actions to efficiently utilize water reserves	A comparative study of existing prices for water and sewerage services and a study on their adaptation to the optimal tariff level was provided, and proposals for the adaptation of existing prices for water and sewerage services to the optimal tariff level determined as a result of the research were prepared. With the decision of the Tariff (Price) Council dated January 30, 2021 "On Amendments to the Decision No. 6 of the Tariff (Price) Council of the Republic of Azerbaijan dated May 13, 2016" On Approval of Tariffs for Water Supply and Wastewater Discharge Services", wastewater disposal services have been changed.
38	6.1.3. Consider optimal tariff level for clean and waste water services	Decision No. 5 of the Tariff (Price) Council of the Republic of Azerbaijan dated January 30, 2021 was amended by Decision No. 6 of the Tariff (Price) Council of the Republic of Azerbaijan dated May 13, 2016 "On approval of tariffs for water supply and wastewater discharge services".
39	6.1.4. Prepare social programs for special user groups utilizing clean and waste water services	Forecast indicators have been set for "Azersu" OJSC in order to ensure uninterrupted and high-quality water supply in the long run.
40	7.1.1. Create, restore and refurbish heating sources	"Azeristiliktehzizat" OJSC conducted an economic analysis of the projects for the gradual reconstruction of heating stations, which perform the function of distribution of heat energy produced in the district heating boilers, into local boilers. The number of residential and non-residential buildings provided with heat in 2020 increased by 39.7 percent compared to 2015.
41	7.1.2. Use alternative and renewable energy sources	Research and analysis were conducted to stimulate the use of alternative and renewable energy sources to generate heat in new residential buildings, and project concepts for the use of solar, wind, biogas and geothermal energy for heating were developed.

STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

42	7.1.3. Improve energy efficiency and energy saving	Efficient use of energy carriers was monitored for the supply of thermal energy to residential and non-residential areas, and measures to prevent inefficient use of energy carriers were identified and implemented in accordance with the results of the monitoring.
43	7.1.4. Implement actions to protect environment when utilizing heating energy	In order to protect the environment, "Azeristiliktehzizat" OJSC carried out reconstruction work with gasification of a number of boilers, switched from black oil to gas fuel.
44	7.1.5. Determine the potential of energy sources for heat supply	Scientific research has been conducted to stimulate the use of selected priority energy sources for heat supply and increasing efficiency. In order to regulate the relations between producers, suppliers and consumers in order to implement mechanisms to increase the efficiency of heating supply, "Rules of technical operation of electrical and heating equipment", "Safety rules for operation of electrical and heating equipment" and " Rules of preparation for the autumn-winter season in the field of Electric and thermal energy, as well as gas "were approved by the decisions of the Cabinet of Ministers of the Republic of Azerbaijan No. 520 dated December 30, 2019, No. 41 dated February 11, 2020, No. 65 dated February 24, 2020, respectively.
45	7.3.2. Optimize the limits intended for budget organizations dealing with heating services	"Rules of establishment and regulation of limits on consumption of utilities (electricity and heat energy, natural gas and water) in budget organizations" were approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 164 dated April 12, 2019.
46	7.3.3. Liberalize hot water tariffs	At present, hot water tariffs are determined on the basis of an agreement signed with consumers.Has been removed from the list of adjustments.
S/s	Name of the partially executed measures	Note
1	3.1.3. Announce tenders to select investors	On August 21, 2020 in connection with the construction of "Gobu" Power Station (ES) with a capacity of 385 MW and Gobu substation with a capacity of 330/220/110 kW and 1000 megawatt ("Gobu Energy Project") The foundation stone of the Gobu Power Station was laid by President Ilham Aliyev.
2	3.3.1. Consider fixing optimal prices to match consumer and producer interests	Domestic electricity tariffs were approved by the Decision No. 14 of the Tariff (Price) Council of the Republic of Azerbaijan dated October 16, 2021 "On regulation of domestic electricity tariffs".
3	3.3.2. Discuss electricity use models	Discussions were held with representatives of important industry partners to identify electricity use models and requirements. The project "Tariff Methodology for Determining Electricity Tariffs" was developed and improved on the basis of feedbacks of relevant agencies.
4	3.4.1. Improve the main regulatory law and other related documentation in electric energy sector	In accordance with paragraph 4.2 of the Decree of the President of the Republic of Azerbaijan dated April 4, 2017 No. 1313 " On Simplification of the procedure of electricity supply to existing or built construction facilities", a new draft Law of the Republic of Azerbaijan "On Electroenergy" has been prepared.
5	3.4.2. Create a wholesale market	Research based on positive international practice in establishing a wholesale electricity market has been conducted and an extensive report has been prepared. As a result of research and analysis, proposals have been made for the gradual transition to a liberal market relations based on competition in the management of all links in the value chain (production, transmission, distribution and supply) from electricity generation to retail.
6	3.4.3. Prioritize generation assets to realize privatization	The draft Order of the President of the Republic of Azerbaijan "On measures to attract private investment in electricity generation" prepared for the implementation of sub-item 1.3 of the Order of the President of the Republic of Azerbaijan No. 1209 dated May 29, 2019 "On accelerating reforms in the energy sector of the Republic of Azerbaijan" has been prepared.
7	3.4.4. Prepare public – private partnership mechanisms	The draft Order of the President of the Republic of Azerbaijan "On measures to attract private investment in electricity generation" prepared for the implementation of sub-item 1.3 of the Order of the President of the Republic of Azerbaijan No. 1209 dated May 29, 2019 "On accelerating reforms in the energy sector of the Republic of Azerbaijan" has been prepared.
8	6.1.1. Minimize losses through detailed evaluation of the network	A comprehensive assessment of the existing water network has been carried out, and appropriate measures have been taken to reduce losses.

STRATEGIC ROADMAP FOR DEVELOPMENT OF UTILITIES SERVICES (ELECTRIC ENERGY, HEATING, WATER AND GAS) IN THE REPUBLIC OF AZERBAIJAN

9	7.2.1. Improve the regulatory legal framework in heat supply sector	In order to improve the regulatory legal framework in heat supply sector, a draft of "Rules for the use of thermal energy" has been developed.
10	7.2.2. Implement institutional actions in heat supply sector	Analyses have been conducted on the establishment of private and commercial heating systems, the transfer of their assets to management in order to attract investment in heating systems, their privatization in order to attract investment in heating systems.
11	7.2.3. Consider tariff optimization for heat supply	A draft of "Tariff Methodology for Determining Tariffs for Heating Supply Services" has been developed.
12	7.3.1. Ensure efficiency in heat supply system	According to the Decree of the President of the Republic of Azerbaijan dated 29 May, 2019 "On accelerating reforms in the energy sector of the Republic of Azerbaijan", international company has been involved In order to prepare proposals regarding studying best international practices and increasing the efficiency of heating supply systems, carrying out reforms in these areas to ensure reliable satisfaction of consumer needs, , the state of the heating supply system in the Republic of Azerbaijan has been studied, Diagnosis of "Azeristiliktechizat" OJSC and relevant farms has been conducted and a detailed report covering the step-by-step action plan has been prepared.
13	7.3.4. Review the price of natural gas consumed for the generation of heat energy	The prices of natural gas used for thermal energy production have been analyzed and proposals have been prepared. An appropriate tariff change has taken place.



**STRATEGIC ROADMAP FOR
THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF
AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM
ENTREPRENEURSHIP**



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

s/s	Name of the fully implemented measures	Note
1	1.1.1. Establish a centralized SME agency	According to the Decree of the President of the Republic of Azerbaijan No. 1771 dated December 28, 2017 "On further improvement of management in the field of small and medium business", the "Small and Medium Business Development Agency of the Republic of Azerbaijan" public legal entity was established under the Ministry of Economy.
2	1.1.2. Build structure of the SME Agency	According to the Decree No.148 of the President of the Republic of Azerbaijan dated June 26, 2018 "On the Activity of the Small and Medium Business Development Agency of the Republic of Azerbaijan", the structure of the Small and Medium Business Development Agency was approved.
3	1.1.3. Define duties of the SME Agency	According to the Decree of the President of the Republic of Azerbaijan No. 148 dated June 26, 2018, the Charter of the Small and Medium Business Development Agency was approved.
4	1.1.4. Establish SME house	Currently, there are two SMB houses ("Khachmaz" SMB house and "Yevlakh" SMB House). Also, according to the Decree of the President of the Republic of Azerbaijan No. 148 dated June 26, 2018, the list of services provided to micro, small and medium enterprises in SME houses was approved.
5	1.1.5. Create unified information portal	"e-SMB house" has been established (https://e-smb.gov.az/)
6	1.3.1. Improve normative- legal framework for public- private partnership	Pursuant to the relevant item of the Decree of the President of the Republic of Azerbaijan No. 148 dated June 26, 2018, the "Model Regulations on the Center for State-Entrepreneurship Partnership Development" was approved on July 16, 2019, also draft normative legal acts regulating public-private partnership was developed.
7	1.3.3. Prioritize the Law of the Republic of Azerbaijan "On the Implementation of Special Financing for Investment Projects in Connection with Construction and Infrastructure Facilities"	During the preparation of projects to be implemented at the expense of state capital investment, a number of projects that can be implemented on the basis of the "Build-operate -transfer" model have been identified.
8	1.3.4. Identify minimum share of participation in public procurements for SMEs	According to the Law of the Republic of Azerbaijan No. 1433-VQD dated December 28, 2018, a new chapter entitled "Participation of micro, small and medium enterprises in public procurement" and the relevant provision on minimum share were included in the Law of the Republic of Azerbaijan "On Public Procurement".
9	1.4.2. Conduct institutional reforms	The Small and Medium Business Development Agency of the Republic of Azerbaijan and SMB houses have been established, and the institutions included in the structure of the Agency have been approved.
10	1.5.1. Conduct monitoring and assessment of inspections in the SMEs	The impact of the suspension of inspections in the field of entrepreneurship on the activities of SMEs has been analyzed. The Law of the Republic of Azerbaijan No. 279-VIQD of March 9, 2021 "On Amendments to the Law of the Republic of Azerbaijan" On Suspension of Inspections in the Field of Entrepreneurship " extended the period of suspension of inspections in the field of entrepreneurship until January 1, 2022.



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

11	1.5.2. Introduce optimal and risk-based mechanisms for conduct of inspections	In order to optimize inspections, the legislative framework has been further improved, inspections were carried out on the basis of risk assessment system In accordance with the Law of the Republic of Azerbaijan No. 714-IVQ dated July 2, 2013 "On regulation of inspections in the field of entrepreneurship and protection of the interests of entrepreneurs".
12	1.5.3. Continue stimulatory tax policies in SMEs	In accordance with the Law of the Republic of Azerbaijan No. 1356-VQD dated November 30, 2018, incentive tax benefits and exemptions for micro, small and medium enterprises have been added to the Tax Code of the Republic of Azerbaijan.
13	1.5.5. Further simplify SMEs' connection to relevant utilities services	According to the Decree of the President of the Republic of Azerbaijan No. 434 dated December 25, 2018 "On further simplification of the processes on connecting to utility services for micro, small and medium enterprises", the process of connection of relevant enterprises to utilities has been further simplified.
14	1.5.6. Create a single certification system for SMEs	"On some measures in the field of increasing transparency in the provision of public services, electronic registration and licensing procedures at the place of residence" Electronic issuance of licenses and permits for the implementation of paragraph 4.1 of the Decree of the President of the Republic of Azerbaijan No. 588 of August 31, 2015 and Decree No. 1205 of January 21, 2017 on the approval of the "Regulations on the" Licenses and Permits "portal" The Ministry of Economy together with the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan has created a "Licenses and Permits" portal.
15	1.6.1. Develop business partnership among SMEs	An action plan to raise awareness of SMEs about the opportunities and benefits of business partnerships has been developed and implemented.
16	1.6.3. Improve benefits and incentives granted to residents of industrial clusters	In accordance with the Law of the Republic of Azerbaijan No. 1356-VQD dated November 30, 2018, incentive tax concessions and exemptions for SME cluster companies and SME cluster participants have been added to the Tax Code of the Republic of Azerbaijan.
17	1.7.2. Strengthen business associations	The Small and Medium Business Development Agency (SMBDA) under the Ministry of Economy has continued to develop cooperation with business associations and promote the establishment of business associations among entrepreneurs. In 2020, three new business associations were established with the support of KOBIA - "Sand, Gravel and Stone Producers Association" Public Union, "Azerbaijan Jewelers Association" Public Union and "Trade Networks" Public Union. The new associations were established to support the development of relevant areas, to put forward and implement initiatives in these sectors, to coordinate entrepreneurs, especially small and medium-sized businesses, and to expand cooperation between them. On November 17, 2020, the National Confederation of Entrepreneurs (Employers) Organizations of the Republic of Azerbaijan organized an online forum on "Strengthening the activities of business associations."
18	1.7.3. Expand activity of the chamber of commerce	Draft legislation has been prepared in order to expand the activities of the chambers of commerce.



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

19	1.8.1. Prepare draft law on mediation	The Law of the Republic of Azerbaijan "On Mediation" No. 1555-VQ dated March 29, 2019 was adopted.
20	1.8.2. Establish mediation council	The Mediation Council was established on February 12, 2020.
21	1.9.1. Apply SMEs identification criteria to all support measures	"Criteria for the distribution of micro, small, medium and large business entities" was approved by the Resolution No. 556 of the Cabinet of Ministers of the Republic of Azerbaijan dated December 21, 2018. The application of the above criteria in the relevant support measures has been ensured.
22	1.9.2. Introduce standardized approach to SME-specific statistic data	Standardization of relevant statistical data was ensured in accordance with the "Criteria for the distribution of micro, small, medium and large business entities".
23	2.1.1. Review establishment of specialized insolvency courts for SMEs	International practice and the current situation have been analyzed, and it is considered more expedient to consider insolvency issues in the relevant commercial courts for relevant business entities.
24	2.1.2. Study insolvency problems of SMEs and monitor the implemented activity	Existing problems related to insolvency issues have been studied and investigated, amendments have been made to the Law of the Republic of Azerbaijan "On Insolvency and Bankruptcy" on the basis of relevant proposals.
25	2.2.1. Create Credit Guarantee Fund	With the Decree No. 1691 of the President of the Republic of Azerbaijan dated November 29, 2017 "On ensuring the activities of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan", The Rules "On guarantying the loans received by entrepreneurs in Manats", The Rules "On implementation of credit rating system and other risk management tools in the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan" and The Rules "On Subsidizing interest rates on loans received by entrepreneurs in Manats" were approved.
26	2.2.2. Increase financial literacy of SMEs	Necessary measures have been taken by SMBDA and relevant government agencies to increase the financial literacy of micro, small and medium enterprises.
27	2.3.1. Improve legislation on encumbered movable collateral	The Law of the Republic of Azerbaijan "On Encumbrance of Movable Property" No. 667-VQ dated May 2, 2017 of the President of the Republic of Azerbaijan was adopted.
28	2.3.2. Create registry of movable collateral	"Rules for maintaining the state registry for encumbrance of Movable property" and "the fee for using the state registry for encumbrance of movable property" were approved by the Decree No. 1901 of the President of the Republic of Azerbaijan dated March 29, 2018.
29	2.3.3. Improve organization of auctions for sale of movable and immovable properties	"Electronic Auction" software has been developed and launched to organize electronic auctions, improve the work of auctions for the sale of movable and immovable property in connection with the acceleration of the electronic work of the relevant procedures, which provide for the sale of state property during the auctions to be completely transparent and open to all segments of society.
30	3.1.1. Supply SMEs with relevant services of international trade transactions	A report has been prepared on the most important problems faced by SMEs in the use of relevant financial services in international trade transactions, and appropriate measures have been taken to provide SMEs with relevant financial services (factoring, letter of credit, guarantees, etc.) in international trade transactions.



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

31	3.1.3. Provide support to SMEs in attracting foreign direct investments	Measures have been taken to support micro, small and medium enterprises in attracting foreign direct investment, as well as the Decree of the President of the Republic of Azerbaijan No. 713 dated May 29, 2019 on "Rules of state support to domestic market research to stimulate the competitive production of micro, small, and medium enterprises" was approved.
32	3.2.1. Develop export associations	A number of associations have been established including Azerbaijan Fruit and Vegetable Producers and Exporters Association, Azerbaijan Hazelnut Producers and Exporters Association, Azerbaijan Honey Producers and Exporters Association, Azerbaijan Pomegranate Producers and Exporters Association, Azerbaijan Wine Producers and Exporters Association, Azerbaijan Tea Producers and Exporters Association, Azerbaijan Olive Producers and Exporters Association. Azerbaijan Date-Plum Producers and Exporters Association was established on November 13, 2018, and Azerbaijan Association of Producers of Ecologically Clean Products was established on August 2, 2019.
33	4.1.1. Establish a model factory for SMEs to benefit in Azerbaijan	
34	4.1.3. Support startup projects	According to the Law of the Republic of Azerbaijan No. 1356-VQD dated November 30, 2018, relevant tax exemptions for startups operating as micro or small businesses and operating as legal entities (or sole proprietors) have been added to the Tax Code, in connection with which the Cabinet of Ministers of the Republic of Azerbaijan Resolution No. 20 of January 29, 2021 approved the "Startup determination criteria". Resolution No. 20 of the Cabinet of Ministers of the Republic of Azerbaijan dated January 29, 2021 approved the "Rules for maintaining an open register of innovative projects for the public and issuing a "Startup" passport".
35	4.2.1. Identify training and education needs of small and medium- sized enterprises and prepare training materials	According to the Decree of the President of the Republic of Azerbaijan No. 148 dated June 26, 2018, SMB Development Centers (SMBDC) operate in the structure of the Small and Medium Business Development Agency. Surveys have been conducted to identify the teaching and learning needs of SMEs and relevant training materials have been prepared. Trainings and seminars in various areas are held at SMBDC on the basis of relevant training materials.
36	4.2.2. Study labor market- specific needs of small and medium enterprises	SMBDA has created a database containing information on qualified personnel. Measures have been taken to raise awareness of small and medium enterprises in accordance with the labor legislation, trainings have been held and memory books have been presented.
37	4.2.3. Coordinate the activity of vocational educational facilities with SMEs	Necessary work has been done to coordinate the activity of vocational educational facilities with SMEs.
38	4.2.4. Ensure "lifelong learning" options for SMEs	Research has been conducted to identify teaching and learning needs in the economy by age groups, and teaching materials have been prepared, and trainings have been organized to meet these needs.
39	4.2.5. Stimulate SMEs to introduce International Accounting Standards	Trainings on training modules for "Practical Accounting for Small Business Entities" and "Practical Accounting for Medium and Large Business Entities" and training materials posted on social media have been held on application of International Accounting Standards.



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

40	4.2.6. Strengthen introduction of corporate governance standards	A webinar titled "Corporate governance and protection of shareholders' rights" was held with the organizational support of the Small and Medium Business Development Agency, as well as online trainings on "Corporate Law" were held. Also, a survey was conducted among entrepreneurs on "Analysis of the state of corporate governance in economic societies."
41	4.3.1. Develop entrepreneurship mindset	Trainings and seminars in various areas are held in SMB development centers, consulting services are provided, support for networking of SMEs, and etc is provided.
42	4.3.2. Organize teaching of the basis of entrepreneurship in the primary and secondary vocational and technical education facilities	In order to increase the knowledge of the youth on the basis of entrepreneurship, the basis of entrepreneurship has been organized in primary vocational and secondary special education facilities, excursions of students to SMEs have been organized.
43	4.4.1. Develop stimulatory mechanisms for development of women entrepreneurship	In order to develop women's entrepreneurship, various concession campaigns and other incentives have been taken. Women entrepreneurs who benefited from Khachmaz SMB Development Center of the Small and Medium Business Development Agency and whose business plans were considered successful during the assessment have been provided with financial support (grants) to start their own businesses. "Visa" has launched a free online education program for women entrepreneurs in Azerbaijan within the framework of "She's Next Global Initiative" which will be organized by partnership between "WoWoman" and "Nargis" magazine. Within the framework of "Global Entrepreneurship Week", the 3rd Forum on "New Opportunities on the Horizon: Green Light for Women Entrepreneurs" was organized by the "Association for the Development of Women's Entrepreneurship in Azerbaijan" with the participation of representatives of relevant government agencies and the diplomatic corps, women entrepreneurs from a number of countries.
44	4.4.2. Develop information support for women entrepreneurship	In order to ensure access to information on events held to support women's entrepreneurship, a special section has been created on the website of SMBDA and information about exhibitions, trainings, etc. have been posted.
45	4.4.3. Create women business incubators	In February 2020, the Business Incubation Center for Youth and Women was launched at the Khachmaz SMB Development Center. Khachmaz SMB Development Center organized a webinar on "Promotion of establishment of women's business incubators".
46	4.4.4. Establish associations and professional organizations of women entrepreneurs	Women's Entrepreneurship Development Association in Azerbaijan was established on October 26, 2017 with the support of the Ministry of Economy, the State Committee for Family, Women and Children Affairs, the National Confederation of Entrepreneurs (Employers) Organizations of Azerbaijan and the initiative of women entrepreneurs.
47	5.1.2. Develop several incentive mechanisms for innovation activity	Relevant tax incentives for innovation activities of micro or small business entities have been included in the Tax Code in accordance with the Law of the Republic of Azerbaijan No. 1356-VQD dated November 30, 2018. Also, in order to support the promotion of innovative entrepreneurship, SMEs' access to high-tech and innovative opportunities and other important areas, Resolution No. 364 of the Cabinet of Ministers dated September 30, 2020 on "Rules for financing education, science, research and support projects related to the development of micro, small and medium enterprises" was approved.
S/s	Name of the partly implemented measures	Note



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

1	1.2.1. Introduce legislative impact analysis	International best practices in the application of legislative impact analysis have been studied and relevant normative-legal acts have been developed.
2	1.2.2. Create institution to increase support of legislative impact analysis	International best practices in the application of legislative impact analysis have been studied and relevant normative-legal acts have been developed.
3	1.3.2. Develop a conceptual document for development of public- private partnership	A conceptual document for development of public- private partnership has been developed.
4	1.4.1. Improve legislation	In order to further improve the competition legislation, international experience has been studied and work has been done to improve the draft Competition Code.
5	1.5.4. Improve licenses and develop a mechanism for recognition of international licenses	Approval of Part 2 of the Decree of the President of the Republic of Azerbaijan No. 588 of August 31, 2015 "On some measures in the field of increasing transparency in the provision of public services, electronic registration and licensing procedures at the place of residence" and for implementation of paragraph 4.1 of Decree No. 1205 of 21 January 2017 on "Regulations on the portal" Licenses and Permits ", The Ministry of Economy together with the State Agency for Public Services and Social Innovations under the President of the Republic of Azerbaijan has created a "Licenses and Permits" portal for the electronic issuance of licenses and permits. The establishment of a mechanism for recognizing and ensuring the equivalence of licenses issued abroad in Azerbaijan has been considered.
6	1.6.2. Create new private industrial clusters for SMEs based on private investments	A special survey has been conducted with the participation of more than 100 small and medium-sized businesses to study the needs and requirements of cooperation of SMEs in the newly established industrial clusters. Horizontal and vertical clustering opportunities between business entities have been analyzed and a feasibility study on clustering opportunities has been prepared.
7	1.7.1. Improve normative-legal base in public- private partnership	Draft on improving normative-legal base in public- private partnership has been prepared.
8	2.1.3. Improve insolvency-related legislation and create bankruptcy registry	Existing problems related to insolvency have been studied and investigated, and amendments have been made to the Law of the Republic of Azerbaijan "On Insolvency and Bankruptcy" on the basis of relevant proposals.
9	2.4.1. Draft a law on leasing	Draft law on leasing has been prepared.
10	2.4.2. Regulate leasing activity and introduce benefits	Proposals have been developed to identify new regulatory mechanisms for faster development of the leasing market.
11	2.4.3. Expand use of alternative financing instruments (forward, futures, option, swop, factoring, etc.) for financing of SMEs	In accordance with international principles, recommendations for the establishment of a market for derivative financial instruments in Azerbaijan and proposals for amendments in legislation have been prepared.
12	3.1.2. Support SMEs in compliance with international standards and requirements	A number of supportive measures have been taken to bring SMEs in compliance with international standards and requirements.



STRATEGIC ROADMAP FOR THE PRODUCTION OF CONSUMER GOODS IN THE REPUBLIC OF AZERBAIJAN AT THE LEVEL OF SMALL AND MEDIUM ENTREPRENEURSHIP

13	4.1.2. Develop business incubators	During 2020, Business Incubation Centers were launched in Khachmaz and Sumgayit SMB Development Centers. Entrepreneurship initiatives in business incubation centers was established to support, create new business and employment opportunities, and further expand the scope of state support measures provided to entrepreneurs. Here, residents are provided with business project development, access to financial resources and financial management, mentoring and other services.
14	5.1.1. Improve legislative framework	Relevant normative legal acts have been prepared to improve the national innovation policy. Decree of the President of the Republic of Azerbaijan No. 1464 of October 11, 2021 "On some measures to improve governance in the field of digitalization, innovation, high technologies and communications in the Republic of Azerbaijan" was adopted.
15	5.1.3. Establish innovation- oriented regional clusters	Regional cluster models that will be more economically successful and the most suitable regions for the establishment of clusters have been identified.
16	5.2.1. Improve innovation infrastructure for SMEs	Proposals have been prepared to expand the establishment of a technopark under the administration of universities.
17	5.2.2. Develop independent scientific- research (research and development) centers and scientific-production unions of state importance	A Research Center has been established within "Sumgayit Chemical Industrial Park" LLC.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.3.1. Improve the existing legal framework based on international best practice	The Food Safety Agency of the Republic of Azerbaijan was established, and the "State Program on Ensuring Food Security in the Republic of Azerbaijan for 2019-2025" was approved. The Agency has prepared and approved a number of documents on food safety (sanitary norms and rules, as well as hygiene standards).
2	1.3.2. Eliminate the overlapped activities of the agencies which are responsible for food safety control, and develop an effective regulatory system	The Food Safety Agency of the Republic of Azerbaijan was established, the Statute and structure of the Agency were approved by the Decree of the President of the Republic of Azerbaijan No. 1681 dated November 13, 2017. In order to separate control and service functions in the field of food safety and clarify the division of powers in this area, the laws of the Republic of Azerbaijan "On Veterinary" and "On Phytosanitary Control" were amended, also adaptive changes were made in other normative legal documents.
3	1.3.3. Harmonize food production, processing, storage, transport and trading standards with international requirements	Measures have been taken to bring the rules and regulations on food products in line with the requirements of the Codex Alimentarius on food safety, the rules and regulations on plant products to the requirements of the International Plant Protection Convention, the rules and regulations on animal products to the International Bureau of Epizootics.
4	1.3.4. Optimize, modernize and accredit food safety laboratories, and improve the certification system	Numerous works have been carried out to modernize the laboratory infrastructure, which is an important component of the food safety system, for the first time in the South Caucasus, a field-level 3 rd level biosafety laboratory under the Central Veterinary Laboratory and a Complex Research Laboratory and National Reference Laboratory have been established under the Analytical Expertise Center, cooperation has been established with private laboratories.
5	1.3.5. Improve public regulatory mechanisms for food safety	The program "Food Guide", a joint project of "ARB24" TV channel and the Food Safety Agency, was broadcast, and the public was informed about the process of developing new sanitary, veterinary and phytosanitary norms and regulations. In addition, the activities of the 1003 "Call Center" were expanded, active participation of consumers in the process of public control over food safety in the social network was provided, "Voluntary food Supervisor" program has been launched.
6	1.3.6. Promote healthy nourishment	Within the framework of the "Healthy Schooler" project, meetings have been held with schoolchildren in different regions of the country, various videos were prepared, a Facebook page called "Healthy Food" was created and posts on various topics related to proper nutrition were shared.
7	2.1.1. Promote intensive orchards (especially, pomegranates, persimmons, cherries, apples, as well as hazelnuts and other nuts) and grape plantations	Measures have been taken to strengthen the supply of fruit farms with machinery and equipment, improve the supply of fertilizers, and establish small and medium-sized processing enterprises. Decree No. 759 of the President of the Republic of Azerbaijan dated June 27, 2019 approved the "Rules for Subsidizing Agricultural Production" and in accordance with this rule, a one-time subsidy is provided for newly planted intensive orchards.
8	2.1.2. Support fresh potato production	"Potato and vegetable seed production" complex has been established. According to the resolution of the Cabinet of Ministers of the Republic of Azerbaijan, in order to support the increase in the production of mashed potatoes, changes were made in import duties of seed potatoes, exemption from import duties of seed potatoes are advanced for one month. According to the previous decision, the import of potato seeds was exempt from customs duties in March, April and May. After the change, it was set to February, March and April. "Development plan to support potato production in the most favorable regions" has been prepared and implemented.
9	2.1.3. Support greenhouse production of early-ripening vegetables	"Development plan to support increased greenhouse production of early-ripening vegetables" has been prepared and implemented.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

10	2.1.4. Stimulate the expansion of the network of small and medium-sized fruit and vegetable processing plants	"Development plan to stimulate the expansion of the network of small and medium-sized fruit and vegetable processing plants" has been prepared and implemented.
11	2.1.6. Promote cotton, tobacco and cocoon production	Order of the President of the Republic of Azerbaijan No. 3082 dated July 13, 2017, on "State Program for the Development of Cotton Growing in the Republic of Azerbaijan for 2017-2022", Order No. 3163 of the President of the Republic of Azerbaijan dated August 10, 2017 on "State Program for the Development of Tobacco Production in the Republic of Azerbaijan for 2017-2021" and Order of the President of the Republic of Azerbaijan No. 3406 dated November 27, 2017, on "State Program for the Development of Cocoons and Silkworms in the Republic of Azerbaijan for 2018-2025" were approved and are being implemented.
12	2.1.7. Explore opportunities for export of non-traditional and recently exported products (purebred animals, dairy products, tinned meat products, barley etc.) and other products with export potential (saffron, wool, leather, natural honey, walnut oil, liquorices etc.)	A Development Plan to stimulate the development of relevant sectors has been prepared and implemented.
13	2.2.1. Promote establishment of large cattle breeding complexes based on the intensive farm model	In order to promote the organization of large closed cattle breeding complexes, the Entrepreneurship Development Fund of the Ministry of Economy of the Republic of Azerbaijan continued to support the financing of livestock complexes.
14	2.2.3. Stimulate increased industrial poultry production with regard to the demand of various segments	"Development plan on stimulating increased industrial poultry production with regard to the demand of various segments" has been prepared and implemented. Also, according to the relevant amendments to the Tax Code, the sale of poultry meat is exempt from value added tax starting from 1 January 2017 for a period of 3 years, then the sale of animal and poultry meat is exempt from value added tax starting from 1 January 2020 for a period of 4 years. (TC, Article 164.1.37).
15	2.2.4. Support expanding network of small and medium meat and milk processors in the regions	"Development plan on supporting expanding network of small and medium meat and milk processors in the regions" and supportive mechanism has been prepared and implemented.
16	2.2.5. Support development of bee production, fish production, and aquaculture	Order No. 3747 of the President of the Republic of Azerbaijan dated March 5, 2018 "On stimulating the development of beekeeping in the Republic of Azerbaijan" was signed, mechanisms to support beekeeping were identified.
17	2.2.7. Evaluate opportunities to increase local production of sugar beet and confectionaries	"Development Plan to ensure the production of sugar confectionery at the expense of local raw materials" has been prepared and implemented.
18	2.2.8. Evaluate the opportunity to increase local production of raw materials (sunflower seed, corn, olive etc.) that are used for vegetable oil production	"Development Plan to evaluate the opportunity to increase local production of raw materials (sunflower seed, corn, olive etc.) that are used for vegetable oil production" has been prepared and implemented.
19	2.2.9. Stimulate the growth of tea plantations	By the Order of the President of the Republic of Azerbaijan No. 3660 dated February 12, 2018, the "State Program for the Development of Tea Growing in the Republic of Azerbaijan for 2018-2027" was adopted and is being implemented.
20	2.2.10. Stimulate increased tobacco production	"State Program on the development of tobacco growing in the Republic of Azerbaijan for 2017-2021" has been adopted and is being implemented. During 2020, tobacco production in the country increased by 15.1 percent compared to 2019 and amounted to 6.9 thousand tons, productivity per hectare increased by 14.5 percent and amounted to 22.1 quintals.
21	2.2.11. Develop processing industries for raw cotton, cocoon and animal hide	"Development Plan to support the expansion of the network of enterprises for the supply and processing of wool and leather raw materials in 2019-2020" was prepared and implemented.
22	2.3.1. Improve regulatory framework for developing agricultural cooperation	The Law of the Republic of Azerbaijan "On Agricultural Cooperation" has been adopted. According to the "Regulations on the Electronic Agriculture Information System" approved by the Decree of the President of the Republic of Azerbaijan No. 897 dated December 23, 2019, farmers have the opportunity to become members of various associations and cooperatives through the system. According to the "Rules for subsidizing agricultural production" approved by the Decree of the President of the Republic of Azerbaijan No. 759 dated June 27, 2019, agricultural cooperatives are provided with more than 10 percent sowing subsidies for sowing on more than 50 hectares of arable land.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

23	2.4.5. Prepare an investor pitch for value chains	In accordance with the "Rules for the issuance of investment promotion documents", investment promotion documents were submitted for 504 projects of 421 business entities by 06.08.2021. 39% of the projects with investment promotion documents cover agriculture. 87% of the promoted projects belong to the regions.
24	2.5.1. Support development of agropark network (including agri-industrial clusters)	Measures of the establishment of new agro-parks and expansion of existing agro-parks in relevant areas have been taken in accordance with the "State Program on socio-economic development of the regions of the Republic of Azerbaijan in 2019-2023" approved by the Decree of the President of the Republic of Azerbaijan No. 500 dated January 29, 2019. As of October 1, 2021, 43 agro-parks have already been launched in the country. So far, the Entrepreneurship Development Fund of the Ministry of Economy has allocated \$ 173 million concessional loans for the establishment of 23 agro-parks, the Ministry has issued investment promotion document worth 1 billion AZN to 27 agro-parks. To this day, more than 1 billion manat has been invested in agroparks. A total of up to 5,000 people have permanently been employed in agroparks, and more than 4,500 people have been provided with seasonal jobs.
25	3.1.1. Define targets for financial needs in agriculture	A Joint Working Group has been formed to identify targets for agricultural financial resources, an analysis of the impact of better access to financial resources has been conducted, and a report has been prepared on access to financial resources in agriculture.
26	3.1.2. Consider establishing an agricultural lending risksharing/guarantee fund	Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan was established by the Decree of the President of the Republic of Azerbaijan No. 1760 dated December 25, 2017.
27	3.1.3. Develop mechanisms for application of innovative and non-collateral loans in agriculture	Decree No.985 of the President of the Republic of Azerbaijan dated 8 April 2020 on "amendments to the Decree No.413 dated 19 December 2018 on Improving State Support for Agriculture and Leasing in the Agrarian Sector" and "on a number of issues related to the stimulation of financing of the agricultural sector" were signed. The new mechanism, formed under this decree, allows farmers to provide unsecured microcredits.
28	3.1.4. Expand the collateral base for lending	Pursuant to the Decree No. 985 of the President of the Republic of Azerbaijan dated April 8, 2020, the implementation of necessary measures was ensured.
29	3.1.5. Increase financial literacy of agricultural producers	Necessary measures have been taken by the relevant government agency to increase the financial literacy of agricultural producers. Also, The Azerbaijan Agricultural Financial Facility (AZAFF), a joint project of the European Union and the European Bank for Reconstruction and Development, has increased the capacity of farmers through financial literacy trainings, provided advanced technical knowledge and best international practices in selected sectors in each region, and special technical assistance was provided for relevant borrowers.
30	3.1.7. Stimulate agricultural lending by credit organizations	Decree of the President of the Republic of Azerbaijan No. 413 dated April 8, 2020 amended the "Rules for the use of funds of the Agrarian Credit and Development Agency under the Ministry of Agriculture of the Republic of Azerbaijan", the Agrarian Credit and Development Agency was given relevant powers to stimulate microcredits in agriculture.
31	3.2.1. Improve the existing legislation with regard to agricultural insurance	The Law of the Republic of Azerbaijan "On Agrarian Insurance" No. 1617-VQ dated June 27, 2019 was adopted, "Agrarian Insurance Fund" non-profit legal entity was established, "Rules of Agrarian Insurance", "Composition of Agrarian Insurance Subject", "Composition of Guaranteed Risks for Agrarian Insurance" were adopted.
32	3.2.2. Consider the possibility of establishing an agricultural insurance fund	By the Decree of the President of the Republic of Azerbaijan No. 809 dated August 19, 2019, the "Agrarian Insurance Fund" non-profit legal entity was established to ensure the organization, development and sustainability of the agrarian insurance system in the Republic of Azerbaijan, provide the formation of the governing body and control its activity.
33	3.3.2. Improve investment environment in agriculture	Comprehensive measures have been taken to develop entrepreneurship and further improve the business environment, access of entrepreneurs to financial resources in the agricultural sector has been further simplified and expanded.
34	4.1.2. Apply relevant mechanisms to prevent agricultural lands from being kept out of use	"Form of economic justification of land use" was approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 512 dated November 30, 2018.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

35	4.2.1. Assess the need for irrigation water	The demand for irrigation water in the country has been analyzed. The "Action Plan for 2020-2022 to ensure the efficient use of water resources" was approved by the Order No. 2178 of the President of the Republic of Azerbaijan dated July 27, 2020.
36	4.2.3. Expand application of modern irrigation systems	The Agrarian Credit and Development Agency under the Ministry of Agriculture has applied a 40 percent discount on the initial cost of 102 sets of irrigation systems and equipment produced in Azerbaijan, the United States, Iran, Turkey, Israel and France in 2019 at the expense of the state budget and sold to entrepreneurs working in the field of agriculture by leasing.
37	4.3.1. Upgrade agricultural machinery parks	A total of 54% of the country's agricultural machinery parks, including grain harvesters, tractors, cotton harvesters, have been upgraded.
38	4.3.2. Improve provision of innovative, also small machinery and equipment	"Agroservis" OJSC purchased and put into operation a total of 6469 innovative and small-sized and branded machinery used in the production of agricultural products (sowing, cultivation and harvesting processes). 2299 of these techniques were produced on the basis of small-scale, 4170 units on the basis of innovative technologies, which met modern requirements in terms of design and economic and technical parameters.
39	4.3.3. Develop the agricultural service market	Due to the measures taken, the number of institutions providing private agroservice services in the republic as legal entities and individuals has increased, the technical support of agricultural producers has improved and the network of private agroservice services in the republic has been expanded.
40	4.4.3. Create digital database	In 2018, an electronic database of barley and wheat seed producers operating in the country was created. The "Electronic Agriculture" information system has been established to provide services in the field of agriculture and to automate the creation, collection, processing, storage and investigation of information for this purpose.
41	4.5.2. Promote fertilizer use	Measures have been taken to inform farms about the use of fertilizers and their benefits.
42	4.5.3. Improve provision of crop protection products	The Ministry of Agriculture has taken measures to purchase mineral fertilizers, including ammonium nitrate (nitrogen), nitroammophoska, ammophos fertilizers by "Agroleasing" OJSC by determining the actual demand in 2020.
43	4.5.4. Increase quality control for fertilizers and crop protection products	Increasing quality control for fertilizers and crop protection products, further improvement of administration and use of new equipment in this area has been ensured.
44	4.5.5. Promote local fertilizer production	Necessary measures have been taken to promote local production in fertilizer production, cooperation in this field has been established, information and awareness-raising activities have been carried out. Relevant steps have been taken to expand the production of organic fertilizers.
45	4.6.2. Expand application of artificial insemination and the embryo transfer method	"Action Plan on modernization of regional artificial insemination centers, strengthening of material and technical base and human resources" has been prepared and implemented, measures have been taken to provide artificial insemination specialists with genetic material and equipment in the regions, to raise awareness about the advantages of artificial insemination and embryo transfer methods. According to the indicators of 2019, artificial insemination in the country amounted to 14.4% of cows.
46	4.6.3. Support development of poultry breeding	Action Plan on "Supporting the Development of Poultry Breeding" has been prepared and implemented, "Fateh" variety has been created by the Research Institute of Crop Husbandry, awareness-raising activities have been carried out in the field of breeding egg production, In 2019, at the expense of the Entrepreneurship Development Fund, a concessional loan was allocated to 1 poultry farm with an annual production capacity of 16.2 million breeding units, 18.7 million commercial eggs and 432 tons of poultry meat based on modern technologies.
47	4.7.1. Develop network of private veterinary service providers	Decree of the President of the Republic of Azerbaijan No. 998 dated April 22, 2020 "On some measures to improve the services implemented in the field of veterinary medicine" was signed.
48	4.7.4. Establish and apply integrated pest management systems for crop protection	Integrated pest management system for crop protection has been established.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

49	4.7.5. Modernize veterinary and phytosanitary laboratories	16 draft procedures, 739 instructions and 566 forms for test laboratories have been developed and approved in order to prepare the quality management system for accreditation in accordance with the requirements of the international standard ISO / IEC 17025 in the laboratories operating under the AFSI, 4 laboratories of the agency have been nationally accredited. Examination methods at the Central Veterinary Laboratory have been adapted to the methods of the World Organization for Animal Health.
50	5.1.1. Develop agricultural education	In order to develop curricula for agrarian specialties in accordance with the requirements of the labor market, international standards in 2020, relevant work has been carried out, curriculums have been developed for agricultural specialties - "Agronomy", "Horticulture and Vegetables", "Fisheries", "Veterinary Medicine", "Crop Protection", " Forestry ", " Winery ", " Water Bioresources and Aquaculture ", " Soil Science and Agrochemistry ", " Land Management and Real Estate Cadastre ", " Zooengineering ", as well as " Agroengineering " which belongs to technical and technological specialties group. By the Decision of the German Institute of Accreditation, Certification and Quality Assurance dated December 20, 2019, the curriculum of the master's degree in "Agrarian Management" has passed international accreditation.
51	5.1.2. Develop vocational education in agriculture	In order to increase the capacity of vocational education institutions in the agricultural sector, measures have been taken to improve the internship process of students, improve educational programs, expand cooperation with employers in the agricultural sector, improve the knowledge and skills of teachers.
52	5.1.3. Develop measures to strengthen partnerships between agricultural education providers, and agricultural producers and processors	During the reporting period, cooperation was established between the Azerbaijan State Agrarian University and more than 60 enterprises.
53	5.2.2. Establish mechanisms for promoting scientific research	An Action Plan has been developed and implemented by the Center for Agrarian Science and Innovation to expand cooperation between agrarian science institutions and the Science Development Foundation under the President of the Republic of Azerbaijan and other local and foreign foundations involved in science funding.
54	5.2.3. Upgrade agricultural scientific-research institutes with modern laboratories, equipment and devices	Measures have been taken to provide scientific-research institutes operating in the agricultural sector with devices and equipment.
55	5.2.4. Transfer research findings to farmers through extension service providers	In order to transfer research findings (technologies, new plant varieties and animal breeds, management mechanisms) to farmers through extension service providers, in 2019, 48 scientific-practical conferences, 441 scientific-practical trainings, 57 scientific-practical seminars were held, a total of 12,197 people attended.
56	5.3.3. Establish network of extension service providers with country coverage	Employees of the Subordinate institutions of the Ministry of Agriculture of the Republic of Azerbaijan, Research Institute of Crop Husbandry, the Research Institute of Vegetable-Growing, Scientific Research Institute of Viticulture and Wine-making, the Fruit and Tea Research Institute, the Plant Protection and Technical Crops Research Institute, and the Livestock Research Institute, Veterinary Research Institute, Beylagan Regional Agrarian Science and Innovation Center, Ganja Regional Agrarian Science and Innovation Center, Kurdamir Regional Agrarian Science and Innovation Center, Lankaran Regional Agrarian Science and Innovation Center, Guba Regional Agrarian Science and Innovation Center, Salyan Regional Agrarian Science and Innovation Center, Sheki Regional Agrarian Science and Innovation Center, Tartar Regional Agrarian Science and Innovation Center and Azerbaijan State Agrarian University were involved in the network of consultants.
57	5.3.4. Establish the system of electronic, media and publishing services	During March-April 2019, the show "One question, one answer" was broadcast on "Asan-Radio FM". The topics of the show are formed around the most frequently asked questions received by the Call Center No. 1652 of the Ministry of Agriculture of the Republic of Azerbaijan. Information and advisory posters, brochures and other printed materials were prepared and published.
58	5.3.6. Look into the feasibility of providing extension services to agricultural producers through input suppliers, processors, and financial institutions	In connection with the extension services by the Ministry of Agriculture of the Republic of Azerbaijan, meetings have been held with the participation of large companies specializing in agriculture, professional farmers, cooperatives (associations or unions), pesticide and fertilizer sellers, seed farmers and financial institutions. - Possibilities of providing extension services individually and in groups have been discussed.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

59	6.1.1. Establish market infrastructure facilities which provide wholesale and logistical services to fruit, vegetable, potato, and melon producers in the region	Necessary infrastructure facilities have been established in the relevant areas to provide wholesale and logistical services to fruit, vegetable, potato, and melon producers.
60	6.1.2. Support establishment of modern adequate slaughterhouses in Baku and regions	Order No. 199 of the President of the Republic of Azerbaijan dated June 11, 2018 "On regulation of slaughtering activities" was signed. The Food Safety Agency and local executive authorities continue to work together to implement this order.
61	6.1.3. Support establishment of small and medium-sized cold storages for fruits, vegetables, potatoes, and melons	At the expense of the Entrepreneurship Development Fund in 2020, 2 cold storages with a total capacity of 6.5 thousand tons, based on modern technologies, as well as 3 small cold storages were allocated concessional loans.
62	6.1.5. Support for establishment of the network of "green markets" and "farmer stores"	In order to support the sale of food products grown by small and medium-sized farms, as well as local production, the project "From Village to City" was implemented, fairs were organized in Baku and Absheron districts on the last and holidays of each week. Concessional loans have been given for the establishment of 4 specialized green markets in Baku and Ganja, Shamkir and Ismayilli districts at the expense of the National Fund for Entrepreneurship Support. In 2017, 9.1 million AZN of concessional state loans were provided for the establishment of the Specialized Green Market Complex established on 1.1 hectares in the Nasimi district of Baku.
63	6.1.6. Improve the digital database containing data on wholesale and retail prices of agricultural products	The Price Database of Agricultural Products on wholesale and retail prices of agricultural products (www.aqrarbazar.az) has been further improved. Relevant information is entered on the site (Field sales: 2 times a week, wholesale: 3 times a week; retail: 3 times a week).
64	6.2.4. Establish an effective system to effectively regulate imports in order to protect the domestic agricultural and food market against unfair trade practices	Appropriate customs-tariff and non-tariff policy measures have been taken to protect the domestic market from the undesirable effects of imports.
65	6.3.1. Provide support for geographical expansion of the export markets, and maintaining a stronger presence in the traditional export markets	In order to expand the geography of agricultural export markets, active participation in international exhibitions and fairs was provided, local agricultural products were presented and necessary cooperation was supported.
66	6.3.2. Promote the "Made in Azerbaijan" branding	In order to promote the "Made in Azerbaijan" brand abroad and stimulate exports, 10 different mechanisms - support measures are being implemented. Depending on the support measures, the costs associated with their implementation are fully or partially covered by the state budget. Every exporter of non-oil products of Azerbaijani origin, including agricultural products, has the right to apply for these support measures.
67	6.3.3. Keep farmer informed about potential export markets	Farmers were informed about potential export markets, the Azerbaijan Export and Investment Promotion Foundation (AZPROMO) regularly provided information on international exhibitions to potential participants and implemented various support measures in this area. At the same time, The Center for Analysis of Economic Reforms and Communication has prepared and published an information bulletin (Export Review) on a monthly basis, which provides information on exports in the non-oil sector and export orders entered into the Azexport portal and serves to raise awareness of entrepreneurs.
68	6.3.4. Identify potential exporterfarmers	About 100 farmers with an area of more than 5 hectares have been identified to produce products suitable for export markets.
69	6.3.6. Provide support for obtaining export documents	The Ministry of Economy and the relevant government agencies provided support in obtaining export documents. The "Rules for payment of export incentives to persons engaged in the export of non-oil products" were further improved by the resolutions of the Cabinet of Ministers of the Republic of Azerbaijan No. 276 dated 25.06.2018 and No. 74 dated 29.02.2020.
70	7.1.2. Improve the agrimeteorological database	A sensor used to determine soil moisture has been installed, modern software for collecting and processing observation data has been introduced, and access to agrometeorological information has been ensured through the www.meteo.az website.
71	7.1.4. Strengthen coordination between the competent authorities to improve the legal and regulatory framework	Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 425 dated October 2, 2019 approved the "Rules for the implementation of control in the field of environmental impact assessment and strategic environmental assessment."



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

72	7.2.4. Adopt an economic approach to environmental protection	Order No. 935 of the President of the Republic of Azerbaijan dated February 7, 2019 approved the "Action Plan to reduce the negative impact of plastic packaging waste on the environment in the Republic of Azerbaijan for 2019-2020".
73	7.2.5. Protect agricultural-biological diversity	Seeds of samples of promising and regionalized cotton varieties created at the Scientific-Research Plant Protection and Technical Plants Institute, coordinated by the Center for Agrarian Science and Innovation, are stored in the national gene pool of the Institute of Genetic Resources of ANAS. Various measures have been taken to collect, study and protect local plant and animal genetic resources obtained through the application of traditional selection, breeding, biotechnology and molecular methods.
74	7.2.6. Evaluate the transition to "green economy" in agriculture, and use alternative energy sources in providing heat to greenhouses	The "Action Plan for the Ministry of Energy on the transition to a "green economy "in the agricultural sector in the Republic of Azerbaijan" has been prepared and implemented, research on thermal water potential has been conducted, solar collectors for heat supply, the use of biogas have been studied. For the first time in Azerbaijan, a modern greenhouse complex has been established in the Carli area of Mollakand village, Kurdamir region, for industrial cultivation of vegetables on land unsuitable for geothermal water heating. A hybrid system consisting of wind, solar energy, biogas and KSES has been established under the project to create a hybrid system using alternative energy sources for electricity and gas supply of Khinalig village of Guba region. Also, Greenhouses heated by solar collectors have been established in Samukh Agro-Energy Complex.
75	7.3.1. Establish the mechanism of conducting environmental impact assessment with regard to changed land designation	"Rules for the classification of lands and their transfer from one category to another" was approved by the Resolution No.10 of the Cabinet of Ministers on January 20, 2017. Regular monitoring has been carried out in the regions of the Republic to monitor and assess the impact of the involvement of pastures on crop rotation and other changed land designation on the environment and sustainable land use.
76	7.3.6. Ameliorate and prevent resalination of irrigation lands	Measures have been taken to repair and rehabilitate existing irrigation and collector-drainage networks, build new collector-drainage networks, and implement innovative projects to clean saline soils from salts.
77	7.3.7. Provide information based on the evaluation of water resources	"Action Plan for 2020-2022 to ensure efficient use of water resources" was approved by the Order No. 2178 of the President of the Republic of Azerbaijan dated July 27, 2020. According to the Action Plan, in 2020, the implementation of necessary measures for the assessment, protection and sustainable use of water resources were ensured. In September 2020, the Electronic Water Portal (http://e-su.az) was launched.
78	7.3.9. Mountain river management	20.2 million m3 of riverbeds have been cleaned, 6.8 thousand m3 of shale , 3.5 thousand m3 of gabion dams have been installed, 24.4 thousand m3 of repair work has been carried out on stone-concrete dams, 11086 pm shore protection measures have been carried out in the rivers with flooding potential. Appropriate measures have been taken to create additional reservoirs (lakes) for the efficient use of flood waters.
79	7.4.2. Promote eco-products	By the decision of the Cabinet of Ministers of the Republic of Azerbaijan No. 380 dated September 20, 2017, "Ecological agriculture" specialization was added to the "060702 Agronomy" specialty of "Agricultural specialties group" section of "Classification of specialties (specializations) at the master's level of higher education". Azerbaijan State Agrarian University hosted a scientific-practical conference on "Development of ecologically clean agriculture in Azerbaijan" on October 29-30, 2019. Principles, requirements, methods, standards of production of ecologically clean products in accordance with the standards of the International Federation of Ecological (Organic) Agricultural Movement (IFOAM) for producers wishing to switch to the production of ecological (organic) products by the Regional Experience and Resource Center for Ecologically Clean Agriculture of ANAS and training courses, including certification issues, and 200 farmers were certified by European organizations and granted "Organic Farmer" status.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

80	8.1.1. Improve the licensing, authorization and certification system in agriculture	According to the Law of the Republic of Azerbaijan dated July 12, 2019 1662-VQD, a number of procedures in the field of viticulture and winemaking have been simplified. Established in 2017 by the Ministry of Economy of the Republic of Azerbaijan and the State Agency for Public Services and Social Innovations under the President of the Republic of Azerbaijan "lisenziya.gov.az" electronic portal has been launched.
81	8.1.3. Monitor access of businesses to product market and availability of inputs, and develop reports	Monitoring has been carried out in accordance with the relevant questionnaire forms on the selection plan among the subjects registered in EAIS engaged in the production of agricultural products. In addition, monitoring has been conducted among entities engaged in meat sales and milk processing. Proposals have been developed to address the existing problems of intensive poultry and dairy farms.
82	8.1.4. Establish a risk-based inspection system	International practice has been studied and the possibility of establishing an appropriate system to reduce, prevent and provide preventive measures for situations that could endanger the lives and health of people, security and economic interests of the state has been considered.
83	8.2.1. Establish Land Cadastre System	The "Rules for the Formation and Integration of National Spatial Data" were approved by the Decree of the President of the Republic of Azerbaijan No. 448 dated December 28, 2018. Measures have been taken to register lands in electronic cadastre, to prepare digital maps of territories, maps have been prepared for a number of regions.
84	8.2.2. Complete the "EAgriculture" Information System, and manage subsidization through the system	Electronic Agricultural Information System (https://eagro.az/) has been created. In accordance with the "Regulations on the Electronic Agriculture Information System" approved by the Decree of the President of the Republic of Azerbaijan No. 897 dated December 23, 2019, electronic receipt and processing and response of applications for subsidies to farmers through the "subsidies" subsystem included in the structure of EAIS.
85	8.2.3. Consider the possibility of establishing the legal and regulatory framework for the registration of agricultural producers through the "E-Agriculture" Information System	"Regulations on the Electronic Agriculture Information System" were approved by the Decree of the President of the Republic of Azerbaijan No. 897 dated December 23, 2019.
86	8.2.4. Develop statistical reports on the possible involvement of producers in contract farming and farmer unions	The State Statistical Committee has prepared a report on "Results of statistical examination on the possible involvement of producers in contract farming and farmer unions".
87	8.2.5. Develop statistical reports and examine backyard crops	The State Statistical Committee has prepared a report on "Results of statistical examination of products in backyard crops".
88	8.2.6. Group orchard crop data based on traditional, intensive and superintensive orchards	"Statistical bulletin on perennial crops (in the division of traditional, intensive and superintensive orchards)" have been prepared by State Statistical Committee.
89	8.2.7. Collect statistical data of cattle breeding and make examinations	The Ministry of Agriculture has prepared a report on "Collecting statistical data of cattle breeding and making examinations".
90	8.2.9. Establish e-database containing information about veterinary and phytosanitary control services	Processes for the establishment of the "Monitoring of phytosanitary services" subsystem has been studied and analyzed, as well as the development of the "Monitoring of veterinary services" subsystem has been started.
91	8.2.10. Promote recordkeeping among the agricultural producers	The "Primary Recordkeeping and Registration Booklet for Farmers" has been prepared and approved, the "Primary Recordkeeping and Registration Booklet for Farmers" has been distributed to 20,000 (twenty thousand) farmers identified in different regions by the Center for Agrarian Research under the Ministry of Agriculture, and trainings on their education has been conducted. In 2019, 2697 trainings were conducted for 29781 farmers to inform farmers for proper accounting in EAIS.
92	8.3.1. Design a strategic development plan for the Ministry of Agriculture and other agencies attached to it	"Strategic Development Plan of the Ministry of Agriculture of the Republic of Azerbaijan until 2020" has been prepared.
93	8.3.2. Develop and disclose annual reports on the activities of the Ministry of agriculture and its agencies	Annual reports on the activities of the Ministry of Agriculture and its subordinate bodies have been prepared and disclosed.
94	8.3.3. Strengthen the capacity of the Ministry of Agriculture in strategic analysis, planning and evaluation	In order to increase the knowledge and skills of the employees of the Ministry of Agriculture, their participation in international and local seminars and trainings on strategic analysis activities has been provided.

STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

95	8.3.4. Strengthen the capacity of regional (town) offices of the Ministry of Agriculture	In order to strengthen the institutional capacity of the State Agrarian Development Centers (district and city departments), trainings have been held on "Human Resource Management" (61 people), "New Subsidy Rules" (468 people), "Rules of Ethical Conduct" (204 people), "Rules of Clerical Work" (100 people) and "Conducting surveys to identify needs in the labor markets" (63 people). A total of 896 SADC employees benefited from the trainings. In addition, field trips to the People's Republic of China have been organized for employees of Gadabay State Agrarian Development Center and Absheron State Agrarian Development Center.
96	8.4.1. Make assessments and present proposals to improve subsidization	Decree of the President of the Republic of Azerbaijan No. 759 of June 27, 2019 "On the establishment of a new subsidy mechanism in the agricultural sector" approved the "Rules for subsidizing agricultural production".
97	8.4.2. Present proposals for improving the customs policy set for tax credits applied to agricultural producers, and the import of various agricultural inputs	The list of means of agricultural production exempted from import customs duties is specified in the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 337 dated August 24, 2017. According to the Law of the Republic of Azerbaijan No. 1656 VQD dated July 12, 2019 "On Amendments to the Tax Code of the Republic of Azerbaijan", production, import and sale of spare parts for agricultural irrigation and other facilities, machines, equipment and machinery, as well as spare parts for agricultural machinery, the list of which is approved by the relevant executive authority (exemption), is exempt from VAT. Validity period of additional import duty applied to the import of chicken meat, breeding eggs, edible eggs, onions, dates, hazelnuts, pears, tomatoes, cucumbers, apples, fresh grapes has been extended for a period of 2 years by the decision of the Cabinet of Ministers of the Republic of Azerbaijan No. 463 dated December 3, 2019.
98	8.4.4. Conduct a feasibility study for the discount sale of irrigation water to agricultural producers	"Action Plan for the implementation of the feasibility study for the discount sale of irrigation water to agricultural producers" was approved by the Order of the Cabinet of Ministers dated December 28, 2017 No. 918.
99	8.4.6. Stimulate the growth of perennials	Appropriate measures have been taken to stimulate the expansion of perennials. At the same time, In accordance with the "Work Plan of the Agrarian Research Center for 2019" approved by the decision of the Scientific Council of the Center for Agrarian Research under the Ministry of Agriculture on April 30, 2019, the preparation of proposals to stimulate the expansion of perennial crops has been ensured.
100	8.5.1. Establish a system and methodology to monitor and evaluate the outcomes of the agricultural policy	"System of indicators for monitoring and evaluation of the results of agrarian policy" was approved by the Order No. 218 of the Minister of Agriculture of the Republic of Azerbaijan dated December 30, 2019.
101	8.5.2. Develop reports on the evaluation of the agricultural policy outcomes	"Report on the monitoring and evaluation of the agricultural policy outcomes" has been prepared by the Ministry of Agriculture.
102	8.5.3. Improve performance of the Farmer Data Monitoring System	"Report on Farmer Data Monitoring System" has been prepared by the Ministry of Agriculture.
103	9.1.3. Improve the existing legislation with regard to rural socio-economic development	Relevant changes were made in the "Regulations on Local Executive Powers" by the Decree of the President of the Republic of Azerbaijan No. 1169 dated October 29, 2020.
104	9.1.4. Develop a state program for rural socio-economic development	The "State Program on socio-economic development of the regions of the Republic of Azerbaijan in 2019-2023" was approved by the Decree of the President of the Republic of Azerbaijan No. 500 dated January 29, 2019.
105	9.2.2. Develop non-agricultural production areas	The Tax Code was amended by the Laws of the Republic of Azerbaijan No. 1356-VQD of 30.11.2018 and No. 1704-VQD of 29.11.2019, micro-enterprises, including production areas that meet the needs of tourists, are exempt from 75% of income tax, 75% of profit tax, 100% of property and land taxes, rights regarding VAT exemptions on imports, rapid depreciation and simplification of procedures for the purchase of goods produced by non-taxpayers (family craftsmen in rural areas).
106	9.3.2. Promote and support profitable community sectors in rural areas	Within the Socio-Economic Development Activity "(SEDA) project", In 2020, the project "Construction of Fruit Drying Station" in Balagusar village of Gusar region, "Construction of Honey Packing Station" in Khudat city, Siyaku village of Astara region and Piran village of Lerik region and "Construction of Flour Production Station" in Koryadi village of Yardimli region were implemented and launched.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

107	9.3.3. Ensure active involvement of women and youth in the socio-economic life in rural areas	The project "Ensuring the rights and welfare of women with disabilities and veterans of the Nagorno-Karabakh war" has been continued, The first project - "Create a Business Marathon" has been launched under the "Sustainable Youth Employment Program" jointly implemented by the State Employment Agency and the Youth Foundation under the Ministry of Labor and Social Protection, the program has been launched to finance part of the salaries of employers at the expense of the unemployment insurance fund who have vacancies or create new vacancies in priority economic sectors and professions identified by the State Employment Agency. Scope of the self-employment program has been expanded.
S/s	Name of the partly implemented measures	Note
1	1.1.1. Assess opportunities to establish Food Security Commission	The possibilities of establishing a Food Security Commission has been analyzed.
2	1.1.2. Conduct regular monitoring to make risk assessments in terms of sustainable food security	International practice on conducting regular monitoring to make risk assessments in terms of sustainable food security has been investigated and analyzed.
3	1.1.3. Develop a system to regularly analyze and evaluate the volume and fulfillment of the existing and prospective demand for food products based on approved rational and physiological norms	"Rational and physiological consumption norms for the population of the Republic of Azerbaijan" was approved by the order No. 57 of the Ministry of Health of the Republic of Azerbaijan dated 30.08.2019.
4	1.1.4. Develop a monitoring system to evaluate food availability for various population groups, and assess related impacts	The State Statistical Committee has prepared a report on "Results of the statistical examination on food availability".
5	1.1.5. Develop an integrated information portal for the production, import, stocking and trade flow of food products	Preliminary preparations have been made for developing an integrated information portal for the production, import, stocking and trade flow of food products. Portal for food demand of procuring organizations (http://tedaruk.az/) has been created.
6	1.2.1. Develop food resources to ensure food availability	The need for infrastructure, including new elevators and granaries, to store food products in line with demand has been assessed.
7	1.2.2. Determine mechanisms to improve food supply for all population groups	International practice in improving food supply for more vulnerable groups has been studied.
8	1.2.3. Increase opportunities for supplying food in case of emergency	"Volume, nomenclature and rules of use of irreplaceable reserves of food and oil products" was approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 433 dated October 31, 2020.
9	2.1.5. Support increased production of dried and frozen fruits and vegetables	"Development plan for supporting increased production of dried and frozen fruits and vegetables" has been prepared
10	2.2.2. Spread the practice of establishing household farms designed for beef and milk production achieved under the pilot projects that have been implemented in Imishli, Barda and Aghjabedi to other regions across the country	The practice of establishing household farms designed for beef and milk production achieved under the pilot projects that have been implemented in Imishli, Barda and Aghjabedi have been analyzed.
11	2.2.6. Support increased production of durum and soft wheat, as well as legumes for food supply	Possibilities of establishing pasta production enterprises in relevant regions have been studied.
12	2.3.2. Consider defining and applying incentives for developing agricultural cooperatives	International practice on defining and applying incentives for developing agricultural cooperatives has been studied.
13	2.3.3. Launch awareness campaigns and provide extension services to develop agricultural cooperation	Model charters of agricultural cooperatives have been developed. In order to promote the establishment of cooperatives, 6 new cooperatives were established in 2020 as a result of meetings with farmers in different regions and villages, regular awareness-raising campaigns on working cooperative models around the world and their advantages.
14	2.4.1. Confirm support package for integrated projects to facilitate public-private partnerships (PPPs)	International practice on identifying support package for integrated projects to facilitate public-private partnerships (PPPs) has been studied.
15	2.4.3. Evaluate opportunities to establish a public-private investment fund	International practice on public-private investment fund has been studied.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

16	2.4.4. Develop legal and regulatory framework for the support package	Legislation drafts regulating the activities of the support package has been developed.
17	2.4.6. Define milestones for operations	The implementation stages of the complex activities carried out in order to increase the volume of investments aimed at expanding the agro-park network and achieve business goals within the implementation of public-private sector cooperation projects have been identified.
18	2.5.2. Support establishment of industrial districts	International practice in the establishment of industrial districts adjacent to the agro-park has been studied, and an "Action Plan to Support the Establishment of Industrial Districts" has been developed.
19	2.5.3. Support establishment of agribusiness incubators	International practice in supporting the establishment of agribusiness incubators has been studied, a general analysis of the business environment in the agricultural sector in the country has been conducted.
20	3.1.6. Develop mechanisms for managing risks which affect the agricultural sector	A Joint Working Group on the development of mechanisms for managing risks which affect the agricultural sector has been formed, systematic risks affecting the agricultural sector in the country have been assessed.
21	3.2.3. Establish Registry for Insurable Events	A legal framework for the register has been developed in order to effectively operate and monitor the assessment of agricultural insurable events in the country.
22	3.2.4. Develop a mechanism to pay material damages to agricultural producers due to imposed quarantine	The current situation with the quarantine regime in the country has been studied, and projects have been developed to improve the legislative framework.
23	3.3.1. Assess agricultural investment needs and develop investment projects	A conceptual document for the organization of investment support in the agro-industrial sector has been developed based on best international practices.
24	4.1.1. Increase transparency and simplify procedures for the sale, lease and use of agricultural lands	Existing legislation for sale, lease and use of agricultural lands has been monitored, projects have been developed to improve the legal framework.
25	4.1.3. Take actions to consolidate lands	Taking into account the best practices, opportunities for land consolidation have been analyzed, and projects have been developed to improve the legal framework.
26	4.2.2. Improve the irrigation water supply	An action plan to improve irrigation water supply has been developed based on an assessment of existing needs and resources.
27	4.2.4. Expand operation of the water users associations	Proposals have been developed to expand and improve the activities of water users' associations.
28	4.4.1. Promote seed and sapling production	An action plan has been developed to support the strengthening of seed and sapling farms.
29	4.4.2. Establish a quality control system for seed and sapling production, and improve mechanisms for certification	Monitoring has been conducted on existing legislation for establishing a quality control system for seed and sapling production and certification mechanisms, projects have been developed to improve the legal framework.
30	4.4.4. Improve operation of seed laboratories	A number of seed laboratories have been accredited.
31	4.5.1. Identify the demand level for fertilizers	The demand for mineral fertilizers has been determined by the balance method, taking into account the crop structure, biological characteristics of plants, planned average productivity and average soil fertility.
32	4.6.1. Study and develop the structure of the compound feed market	Action plan "On studying and developing the structure of the compound feed market" has been prepared.
33	4.7.2. Establish an effective system for tracking and monitoring animal health	A number of institutional and technical measures have been taken to establish an effective system for tracking and monitoring animal health.
34	4.7.3. Establish an effective system for tracking and monitoring plant health	A number of measures have been taken to improve an effective risk management system for plant diseases, as well as the registration of entities operating in the field of production of plants and plant products in the territory of the republic in the unified registry has been continued and the information has been placed in the "Phytosanitary control module", regular phytosanitary monitorings (observations) have been carried out, phytosanitary observations have been carried out against quarantined hazardous pests (pillows, Colorado potato beetle, weeds, etc.) in the territory of the republic, plant protection measures have been taken in the areas where the infection was detected.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

35	5.2.1. Set priorities and increase outcome orientation for agricultural research	Priority areas of scientific research have been identified in accordance with the mandate of each of the research institutes included in the system of the Agrarian Science and Innovation Center (ASIC) of the Ministry of Agriculture and research has been continued in improving soil fertility which is important for the agriculture of the republic, protection, preservation and use of biodiversity, creation of new highly – productive varieties and breeds in crop production and livestock, development of advanced technologies, development of effective plant protection and veterinary services, application of findings of scientific researches in livestock and poultry farms, study of socio-economic development issues of the agricultural sector and other areas.
36	5.3.1. Establish mechanisms for regulating the extension services in agriculture	Existing legislation on extension services in agriculture has been monitored, projects have been developed to improve the legal framework.
37	5.3.2. Improve performance of the Agrarian Science and Information Center	Action plan of ASIC has been prepared and implemented.
38	6.1.4. Support establishment of small and medium-sized grain storages in the cereal-producing regions	A study has been conducted with the participation of processing enterprises and other suppliers to support the supply of adequate volumes of grain storage, shared within the production unions (associations) of small and medium farms. In addition, establishment of a grain storage complex has been included in the priority areas identified by the Supervisory Board of the Entrepreneurship Development Fund for the effective allocation of the Fund's resources for 2020 by sectors of the economy.
39	6.2.1. Improve the legal and regulatory framework for trade registration of agricultural products in the domestic market	The existing legislation on trade registration of agricultural products in the domestic market has been monitored, projects have been developed to improve the legal framework.
40	6.2.2. Improve agricultural and food supply	Proposals have been developed to improve supply system to increase the efficiency of the agricultural and food supply system and eliminate existing problems.
41	6.2.3. Establish the system of interventions in case of unfavorable market conditions	Proposals have been developed for mechanisms to establish information systems and intervention tools related to prices and production costs for the application of intervention measures.
42	6.3.5. Improve the certification system, and ensure compliance with international standards	The Law of the Republic of Azerbaijan No. 1669-VQ dated September 30, 2019 "On technical regulation" was adopted.
43	7.1.3. Look into the feasibility of building an intervention and protection system against adverse weather conditions and hail for agricultural purposes	As part of measures to combat weather conditions and create a hail protection system for agricultural purposes, systems have been installed that will significantly affect the study of hydrometeorological processes and dangerous atmospheric events, increase the accuracy of hydrometeorological forecasts, as well as provide early warning of hail events.
44	7.2.1. Establish indicators and make assessments of agricultural compliance with environmental standards	Measures have been taken in the framework of the "Joint Action Plan to support "green agriculture" (2020-2023)."
45	7.2.3. Establish protective forest belts	Action plan for field -protective, soil-protective and water-protective forests and forest belts has been developed, work has been done to establish field-protective forest belts in a number of areas.
46	7.3.2. Take action to ensure efficient use of land resources, and re-cultivate lands	Within the framework of the program developed for land reclamation in the Kur-Araz lowland, a collector-drainage network, a new irrigation canal, an irrigation pipeline has been built, and canals have been reconstructed. Recommendations have been developed for the implementation of special measures (eg gypsum measures, production using special types of seeds) in saline soils.
47	7.3.3. Perform chemical soil tests	Agrochemical laboratories have been modernized, agrochemical analysis of soils has been conducted in a number of areas.
48	7.3.4. Improve pasture management	Geobotanical maps and activity cartograms have been prepared by conducting certain geobotanical researches in winter pastures and summer pastures. In addition, individual capacity, productivity of summer and winter pastures and rural pastures, number of small horned animals to be grazed per hectare, quality group, level of difficulty have also been determined. The current situation for pasture inventory has been assessed.



STRATEGIC ROAD MAP FOR THE PRODUCTION AND PROCESSING OF AGRICULTURAL PRODUCTS IN THE REPUBLIC OF AZERBAIJAN

49	7.3.5. Reduce water losses to consumers	Sludge has been cleaned in irrigation systems, irrigation canals have been cleaned. Measures have been taken in the direction of investing in water canals to reduce losses during water transportation.
50	7.3.8. Improve water use in drought-affected regions	New main irrigation and distribution canals have been built, and water reservoirs have been reconstructed to improve the supply of irrigation water to arable lands.
51	7.4.1. Improve the legal framework for ecoagricultural production and look into the possibility of developing state programs for that purpose	Existing legislation on ecologically clean agriculture has been monitored, and projects have been developed to improve the legal framework.
52	7.4.3. Establish eco-agricultural farms	Training courses have been organized, including the principles, requirements, methods, standards and certification problems of ecologically clean production, and 200 farmers were certified by European organizations and gained the status of "Organic Farmer".
53	8.2.8. Identify and register cattle and sheep	International practice on identification and registration of cattle and sheep has been studied and projects have been developed.
54	8.4.3. Set forth proposals to provide state support for stimulating the growth of greenhouses	International practice for the stimulation of the growth of greenhouses has been studied.
55	8.4.5. Develop the proposal to provide state support for the growth of cattle breeding	Feasibility studies have been conducted to provide state support to a number of farms.
56	9.1.2. Establish the statistical base and monitoring system for rural socioeconomic development	Procedures of establishing the statistical base and monitoring system for rural socioeconomic development have been prepared.
57	9.2.1. Develop rural tourism and eco-tourism	In accordance with the "Strategic Road Map for the development of specialized tourism industry in the Republic of Azerbaijan", a study has been conducted on the villages of the country with tourism potential, a number of projects have been developed.
58	9.2.3. Develop service areas in rural areas	Individual agricultural extension services have been provided at the Khachmaz SMB Development Center and on the farm owned by the entrepreneur, within the extension services, discussions have been held with SMEs on soil fertility, proper plowing, melioration, application of sowing and irrigation systems for high productivity, what kind of crops to plant. Yevlakh SMB Development Center hosted a training on "Start your own business" for micro, small and medium enterprises from the Aran economic region. With the support of SMBDA, new business areas for Internally displaced women have been established in Fizuli. An event has been held in Fizuli region to put into operation bakery, confectionery and incubator shops, beauty salon, breeding goat and sheep farms.
59	9.2.4. Increase woman and youth employment in rural areas	"MirvariStore" project for women with weaving and sewing skills organized by SMBDA has been presented in Gabala and Oguz. The Business Incubation Center for Youth and Women has started operating at the Khachmaz SMB Development Center, extension services on "Access to sales channels" have been provided for women engaged in micro, small and medium enterprises.
60	9.2.5. Improve housing conditions for new young families	Measures have been identified to improve access to housing for young families and young professionals in rural areas. By applying a special approach to solving the housing problem of young families living in the relevant villages, private houses were built and provided to 43 young families in Bilasuvar district in 2020, 64 apartments and private houses were built and put into use in Barda district.



**STRATEGIC ROADMAP
FOR DEVELOPMENT OF LOGISTICS AND TRADE
IN THE REPUBLIC OF AZERBAIJAN**



STRATEGIC ROADMAP FOR DEVELOPMENT OF LOGISTICS AND TRADE IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.3.1. Taking additional actions regarding truck transport infrastructure	<p>In Azerbaijan, an assessment has been conducted on the carrying capacity of roads, bridges and tunnels, and in order to increase the carrying capacity of roads, bridges and tunnels, the standard "Bridges, installations and culverts, loads and impacts on roads AAY - TI 2018" has been developed and implemented.</p> <p>State Agency of Azerbaijan Automobile Roads built, reconstructed and repaired 1376.6 km of roads in 2019, including 139.8 km of national importance and 908.8 km of local importance roads. During 2020, highways with a length of 1385.3 km, including 254.6 km of national importance, local roads with a length of 767.2 km, avenues and streets were built, reconstructed and repaired.</p> <p>During 2020, 20 new bridges were built on public roads of the republic and in Baku, 3 bridges were repaired, 2 car tunnels were built, a new metal railway overpass and 9 pedestrian crossings were built and put into use.</p> <p>According to the Global Competitiveness Report, Azerbaijan ranks 27th among 141 countries for the "Road Infrastructure Quality" index (2019/2020).</p>
2	1.3.2. Cooperating with foreign experts in logistics and trade area	Cooperation with foreign experts has been established to identify the main shortcomings in achieving progress in terms of volume and value growth in the field of logistics.
3	1.3.3. Identifying the bottlenecks and prioritizing the solutions	The main shortcomings in achieving progress in terms of volume and value growth in the field of logistics have been assessed and prioritized, and a draft strategy for the development of logistics in Azerbaijan has been developed.
4	1.3.5. Ensuring closer cooperation between Azerbaijan and Georgia in the operations for change of gauges in railway cars	An assessment has been made to improve the material and technical base for the replacement gauges in railway cars, and cooperation has been improved.
5	1.3.6. Conducting analysis for improvement of the railway infrastructure	<p>The existing railway infrastructure has been analyzed and directions for improvement have been identified. The "Railway Sector Development Program" envisaging the implementation of reforms in the field of corporate, institutional, financial and human resources in the railway system of the Republic, as well as the five-year business plan of the "Azerbaijan Railways" Closed Joint-Stock Company have been prepared.</p>
6	1.3.7. Improving the railway infrastructure	<p>As part of the development of the North-South International Transport Corridor, an 8.3 km single-track railway has been built from Astara station to the border with the Islamic Republic of Iran, and a railway bridge has been built over the Astarachay. On February 2, 2018, the first test freight train consisting of 6 carriages from the Russian Federation was sent to Iran via the Astara (Azerbaijan) - Astara (Iran) railway route. Also, 1.4 km of road was built over the Astarachay from the railway bridge to the cargo terminal built in Iran.</p> <p>The grand opening of the Baku-Tbilisi-Kars railway took place on October 30, 2017. More than 500 kilometers of the 850-kilometer-long railway pass through Azerbaijan. The volume of cargo transportation via the Baku-Tbilisi-Kars railway amounted to 110,174 tons in 2019 and 224,944 tons in 2020. Investments have been attracted to expand the railway infrastructure, including increasing the average speed limit and renewing the locomotive fleet.</p> <p>According to the Global Competitiveness Report, Azerbaijan ranks 34th among 141 countries in the "Density of Railways" index and 11th in the "Efficiency of Railway Services" index (2019/2020).</p>



STRATEGIC ROADMAP FOR DEVELOPMENT OF LOGISTICS AND TRADE IN THE REPUBLIC OF AZERBAIJAN

7	2.1.1. Preparing the legal framework for trade zone including the territory of new Port of Baku located at Alat settlement	The Law of the Republic of Azerbaijan "On Alat Free Economic Zone" No. 1143-VQ dated May 18, 2018 was adopted. The authorized body of the Alat free economic zone was established by the Decree of the President of the Republic of Azerbaijan No. 1032 dated May 22, 2020 "On the establishment and organization of the activities of the Alat free economic zone". Based on the Law of the Republic of Azerbaijan "On Alat Free Economic Zone", relevant adaptation measures have been implemented in the relevant normative legal acts.
8	2.1.2. Specifying the targets and key performance for trade zone including the territory of new Port of Baku located at Alat settlement	Detailed analysis of potential economic sectors and segments in the free trade zone has been provided, and necessary work has been done to identify relevant targets and key performance indicators.
9	2.1.4. Determining the human capital to achieve the objectives set for trade zone including the territory of new Port of Baku located at Alat settlement	Memorandums of Understanding have been signed between Baku International Sea Trade Port CJSC and a number of universities in order to train young staff in the field of logistics, cooperation has been established with international ports to exchange knowledge and experience in the future, to organize domestic and international trainings to improve the professional skills of port employees. On January 15, 2021, a Memorandum of Understanding was signed between Baku International Sea Trade Port CJSC and APEC Port Training Center of Antwerp Port, the second largest port in Europe.
10	2.1.5. Developing package of proposals regarding changes in normative legal base for trade zone including the territory of new Port of Baku located at Alat settlement and conduct reforms in this field	The Law of the Republic of Azerbaijan "On Alat Free Economic Zone" No. 1143-VQ dated May 18, 2018 was adopted. The authorized body of the Alat free economic zone was established by the Decree of the President of the Republic of Azerbaijan No. 1032 dated May 22, 2020 "On the establishment and organization of the activities of the Alat free economic zone". Based on the Law of the Republic of Azerbaijan "On Alat Free Economic Zone", relevant adaptation measures have been implemented in the relevant normative legal acts.
11	2.1.7. Organizing showrooms, including sales showrooms in order to attract international companies to the new Port of Baku located at Alat settlement	Based on the implementation of the relevant measure, relevant analyzes have been carried out and preparations have been made.
12	2.2.1. Establishing a working group to assess the potential of industrial and sub industry sectors for development of the cluster in various areas in the free trade zone located at Alat settlement	A working group has been established to identify potential industrial and sub-industrial sectors for cluster development in the free trade zone.
13	2.2.2. Introducing the strengths and capabilities of the free trade zone located in Alat settlement	Feasibility study of Alat Free Trade Zone has been developed for establishment of trade-oriented processing center. At the same time, SWOT analysis of Alat Free Trade Zone has been conducted together with an international consulting company, favorable geographical location, big economic opportunities - proximity to large markets at a distance of 1000 km, advantages of location at the intersection of East-West and North-South freight flows have been identified.
14	2.3.1. Conducting analysis and selecting the proper areas for establishment of logistics and trade centers	Feasibility studies have been conducted on the location of logistics and shopping centers.
15	2.3.5. Considering establishing the logistics hub in the territory of Heydar Aliyev International Airport in the new future	The possibilities of establishing a logistics hub in the territory of Heydar Aliyev International Airport have been analyzed.
16	3.1.3. Improving airport infrastructure	Necessary work has been done to improve airport infrastructure. According to the Global Competitiveness Report, Azerbaijan ranks 12th among 141 countries in the "Airline Services Efficiency" index (2019/2020).
17	3.1.4. Establishing low - cost airline company	Azerbaijan's low-cost airline Buta Airways has started operating since September 2017.
S/s	Name of the partly implemented measures	Note
1	1.1.1. Identifying Azerbaijan's targets in logistics in international trading	Information on current opportunities, resources and improvement plans of "Baku International Sea Trade Port" CJSC, "Azerbaijan Railways" CJSC and "Azerbaijan Caspian Shipping" CJSC has been collected, Azerbaijan's specific goals in logistics in international trade have been identified, action plans have been developed as a result of research conducted to increase the competitiveness of transit transportation in terms of time and costs, and to attract cargo.



STRATEGIC ROADMAP FOR DEVELOPMENT OF LOGISTICS AND TRADE IN THE REPUBLIC OF AZERBAIJAN

2	1.1.2. Improving supervision mechanism and normative legal base in logistics	<p>Decree of the President of the Republic of Azerbaijan No. 521 of February 7, 2019 "On Amendments to the Order of the President of the Republic of Azerbaijan No. 383 of July 20, 2009" On Establishment of the Azerbaijan Railways Closed Joint-Stock Company "and additional measures to improve the Company's activities, amendments were made to the Decree of the President of the Republic of Azerbaijan No. 622 dated September 18, 2015.</p> <p>Law of the Republic of Azerbaijan No. 60-VIQD of April 24, 2020 "On Amendments to the Laws of the Republic of Azerbaijan" On Transport ", " On Aviation ", " On Road Transport "and" On Seaports "was adopted.</p> <p>Order No. 386 of the President of the Republic of Azerbaijan dated August 6, 2018 "On the construction of the New Baku International Sea Trade Port and a passenger terminal in the port area" was signed.</p> <p>The Law of the Republic of Azerbaijan No. 1277-VG of October 12, 2018 "On international road transport between the Government of the Republic of Azerbaijan and the Government of the Republic of Serbia" was adopted.</p>
3	1.1.3. Providing information on the regular actions to be taken and this results	"Baku International Sea Trade Port" CJSC, "Azerbaijan Railways" CJSC and "Azerbaijan Caspian Shipping" CJSC regularly collect information on key performance indicators and targets and publish them on their websites accordingly.
4	1.2.1. Supervising the execution of three key projects and support the solution of new issues	Proposals have been made to establish a special monitoring system to track the progress of work on three major projects.
5	1.2.2. Assessing private sector participation in this field	Opportunities for the participation of the private sector have been assessed, and proposals have been made to build various projects on the basis of public-private partnership, such as "Fertilizer Terminal", "Grain Terminal", "Truck Park", "Ship Repair Workshop".
6	1.2.4. Identifying the operational performance indicators	"Baku International Sea Trade Port" CJSC, "Azerbaijan Railways" CJSC and "Azerbaijan Caspian Shipping" CJSC provided monitoring of operational indicators on the use of routes.
7	1.2.5. Conducting field analyses and identifying new targets based on these analyses	An analysis has been conducted on changes in transit cargo flows and cargo flows on the routes affected by the new Baku Port Complex project, the Baku-Tbilisi-Kars railway project and the Astara-Astara railway project in Alat settlement, measures have been taken to promote increasing the volume of cargo transportation on the routes.
8	1.3.4. Improving freight and handling services in Azerbaijan	Feasibility study was conducted to improve services to increase competitiveness in the field of freight and handling.
9	2.1.3. Ensuring private sector participation in the infrastructure of new Port of Baku and secondary services	Feasibility study of the fertilizer and grain terminal has been carried out by Baku Port, various options for financing by the private sector through mechanisms such as "Build-operate-transfer" have been offered.
10	2.3.2. Ensuring private sector participation in the infrastructure projects for the logistics and trade centers in the regions	The investment requirements related to the infrastructure required for the establishment of logistics and shopping centers in the regions have been assessed.
11	2.3.3. Identifying the mechanisms for establishment and governance of the logistics and trade centers in the regions	The types and potential scope of services to be provided in logistics and shopping centers have been identified.
12	3.1.1. Developing a program for improving the participation level of private sector in logistics	A draft program has been developed to increase the level of private sector participation in logistics.
13	3.1.2. Defining the private sector participation in the works to be performed in airlines	A comparative analysis of airline operations with the practice of advanced countries has been conducted.
14	3.1.5. Ensuring the private sector participation in railways	The areas that require the most investment in the railways for the development of logistics and trade have been identified, and opportunities for private sector participation have been explored.
15	3.1.6. Ensuring the private sector participation in sea transport	Opportunities to increase the role of the private sector in the development of sea transport have been explored.



STRATEGIC ROADMAP FOR DEVELOPMENT OF FINANCIAL SERVICES IN THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROADMAP FOR DEVELOPMENT OF FINANCIAL SERVICES IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.1.1. Conduct a comprehensive analysis of the banking sector	A comprehensive analysis of the banking sector has been conducted, liquidity position and lending opportunities of the banking sector have been identified. Criteria for evaluating the bank as a systemically important bank" was approved by the resolution of Financial Market Supervisory Authority dated 11 March, 2019.
2	1.1.2. Develop an action plan for the capitalization of problematic banks	An action plan has been developed for the capitalization of problematic banks as part of the process of rehabilitating the financial system.
3	1.1.3. Implement the plan and conduct monitoring	According to the action plan on capitalization of problematic banks, inspections have been carried out in these banks in order to control the quality of assets. At the same time, relevant measures on "Acceleration of measures to rehabilitate the banking sector" have been implemented in accordance with the "State Program on the expansion of digital payments in the Republic of Azerbaijan in 2018-2020."
4	1.1.4. Create institutional and legal mechanisms for restructuring problematic banks	The Law of the Republic of Azerbaijan No. 569-VQD dated April 7, 2017 amended the Law of the Republic of Azerbaijan "On Banks". "Provision of non-functional (toxic) assets within the framework of the resolution and rehabilitation of failed banks" were approved by the the Decree of the President of the Republic of Azerbaijan No.1360 dated May 3, 2017. Decree No. 551 of the President of the Republic of Azerbaijan dated February 28, 2019 "On additional measures to address problematic loans of individuals in the Republic of Azerbaijan" was signed.
5	1.1.7. Expand the instruments for providing liquidity	Relevant measures have been taken to expand the instruments for providing liquidity.
6	1.3.1. Establish relevant working groups	Relevant working groups on agricultural insurance, microinsurance, co-insurance and compulsory health insurance have been established.
7	1.3.2. Conduct an analysis of the current situation	The diagnosis of the current situation in agricultural insurance, microinsurance, co-insurance and compulsory health insurance has been conducted and advanced international practices have been studied, and measures have been identified to form a legal, regulatory and institutional framework.
8	1.3.3. Establish a data system	Resolution No. 238 of the Cabinet of Ministers of the Republic of Azerbaijan dated July 6, 2020 approved the "Regulations of the "Agrarian Insurance "information system" and the List of information systems to be integrated into the "Agrarian Insurance" information system and the information to be obtained from them.
9	1.4.1. Develop the channels for delivery of the financial services	Access to credit information has been accelerated with the adoption of the Law of the Republic of Azerbaijan "On Credit Bureaus" dated October 28, 2016. The Law of the Republic of Azerbaijan "On encumbrance of real estate" dated May 2, 2017 was adopted. In February 2019, the "ASAN Finance" project was launched. According to the World Bank's "Doing Business 2020" report, Azerbaijan has risen to 1st place among 190 countries on the "Getting Credit" indicator (122nd place in the WB 2018).
10	2.1.1. Analyze the factors that restrict access to listing	Listing requirements for existing stock and bond segments have been analyzed and deficiencies have been identified. The impact of the current tariff policy applied on issuers and investors in the securities market has been analyzed by simulations. "Rules of listing, delisting and organizing trading of securities on Baku Stock Exchange" were further improved and approved on March 6, 2020.



STRATEGIC ROADMAP FOR DEVELOPMENT OF FINANCIAL SERVICES IN THE REPUBLIC OF AZERBAIJAN

11	2.1.2. Determine incentives	By the Decision of the Central Bank of the Republic of Azerbaijan dated December 16, 2020, "Service fees of the National Depository Center" were approved. As part of the new tariff policy, tariffs paid to the National Depository Center by companies listed on the stock exchange have been more than halved, tariffs charged from investors on registration of secondary market, market maker and repo deals with corporate securities on the stock exchange have been optimized, tariffs for mortgage bonds have been reduced.
12	2.1.3. Determine new listing procedures	On November 18, 2021, "Rules of listing, delisting and organizing trading of securities on Baku Stock Exchange" were updated and approved (Rules dated 06.03.2020 have expired). According to the updated rules, the document turnover related to listing has been reduced. At the same time, taking into account the best benchmarks, work has been done to improve the BSE website and make it more usable. Within the framework of improving the infrastructure of the capital market, preliminary preparations have been made for the relevant project on electronization of the securities issue process.
13	2.1.4. Change ownership mindset	The Central Bank organized agitation and awareness-raising activities in 2020 as part of measures to change the ownership mindset, relevant projects have been implemented to stimulate participation in the capital market, participation in international conferences and exchange programs were ensured, involved in seminars on capital markets in higher education institutions, awareness-raising information on the capital market was provided to the general public through online platforms and the media.
14	2.1.5. Develop and execute a roadmap	An Action Plan for 2018-2020 on the implementation of the priority "Creating a favorable environment for issuers and financial intermediaries" was prepared and implemented.
15	2.2.1. Analyze the access to financial markets	International experience and existing legislation have been studied to ensure the integration of investors into capital markets, and opportunities for improvement have been identified. In connection with the implementation of the Order of the President of the Republic of Azerbaijan No. 497 dated September 19, 2018, the Center for Analysis of Economic Reforms and Communication launched the Internet portal "www.enterpriseazerbaijan.com". The portal is a convenient platform that provides information on projects open to alternative financing and new investment opportunities in the country in order to improve its potential for attractomg foreign direct investment and further increase its investment attractiveness.
16	2.2.2. Differentiating incentives for individual and institutional investors	Law No. 1356-VQD of the Republic of Azerbaijan dated November 30, 2018 amended the Tax Code of the Republic of Azerbaijan and established a number of incentives for investors.
17	2.2.4. Identify initiatives for enhancement of transparency	The Electronic Data Disclosure System (MEAS) has been further improved and expanded. The range of information about the issuer has been increased in the issuer's profile on the website of the Baku Stock Exchange, additional reports and information have been uploaded. Measures have been identified to tighten controls on insider trading.
18	2.3.1. Promote the interbank money market	Encouraging measures have been taken to conduct interbank operations on a single trading platform, the E-Bond platform, which enables the Central Bank to conduct interbank money market transactions in the Bloomberg trading system and obtain information on these transactions online, has been put into use.
19	2.3.2. Increase the range of collateral	The list of securities accepted by the Central Bank as collateral during monetary policy operations has been expanded.
20	3.1.1. Promote the establishment of private credit bureaus	The first private credit bureau of Azerbaijan "Azerbaijan Credit Bureau" LLC (ACB) was established on January 15, 2018 by 8 major banks of the country.



STRATEGIC ROADMAP FOR DEVELOPMENT OF FINANCIAL SERVICES IN THE REPUBLIC OF AZERBAIJAN

21	3.1.2. Organize the exchange of information between CCR and private credit bureaus	Pursuant to Article 23.1 of the Law of the Republic of Azerbaijan "On Credit Bureaus", all information on borrowers of credit institutions in the centralized credit registry shall be provided to any credit bureau operating within three years from the date of entry into force of this Law on the basis of its application once and free of charge. In accordance with Article 23.1 of the Law of the Republic of Azerbaijan "On Credit Bureaus", the Centralized Credit Registry of the Financial Market Supervisory Authority of the Republic of Azerbaijan provided information on borrowers of credit institutions to "Azerbaijan Credit Bureau" LLC.
22	3.2.1. Identify the directions for analysis and improvement of court order enforcement	Relevant investigations have been conducted to review the legal framework, speed up the process of enforcement of court decisions and the current situation has been diagnosed. As a result of the diagnostics, factors complicating and delaying the enforcement process have been identified. According to the Decree of the President of the Republic of Azerbaijan No. 551 dated February 28, 2019 "On additional measures to resolve problem loans of individuals in the Republic of Azerbaijan", relevant instructions on court cases related to restructuring of overdue loans of individuals have been fulfilled.
23	3.2.2. Identify a set of comprehensive solutions	Comprehensive solutions have been identified, the possibility of selling collateral by alternative methods has been assessed.
24	4.1.1. Analyze risk management in the bank sector	In order to improve risk management in banks, the current situation has been diagnosed and compared with the Basel II / III principles. "Corporate Governance Standards in Banks" were approved by the Decision of the Financial Market Supervisory Authority of the Republic of Azerbaijan dated July 11, 2019.
25	4.1.3. Define a mechanism for regulating the banks of systemic importance.	According to the decision of the Financial Market Supervisory Authority of the Republic of Azerbaijan dated March 11, 2019, "Criteria for assessing the bank as a systemically important bank", and the Decision dated December 29, 2018 on "Rules on regulation of credit risks for one borrower or a group of related borrowers" were approved. The "Rules for calculating bank capital and its adequacy" were approved by the Decision of the Board of the Central Bank of the Republic of Azerbaijan dated April 24, 2020.
26	4.2.1. Investigate the consolidated prudential supervision mechanism	International practice with the consolidated prudential supervision mechanism has been studied, also the principles of the Basel Committee on Consolidated Supervision and the EU Regulatory and Supervision Directives have been studied.
27	4.2.3. Investigate the consolidated risk-based supervision approach	A study of the consolidated risk-based supervision model has been conducted.
28	4.3.1. Assess the current situation of digitalization in the banks	To assess the digital readiness of banks, an individual survey was conducted in banks, covering a number of issues. In accordance with the "State Program for the expansion of digital payments in the Republic of Azerbaijan for 2018-2020", relevant measures have been taken to develop digital banking and other areas.
29	4.3.2. Determine necessary changes in the regulatory mechanism	In order to accelerate the digital transformation of banks, measures covering the necessary changes in the regulatory mechanism have been identified and prioritized, focusing on issues such as paper-based operations and control measures, restrictions on non-cash transactions and over-reporting.
30	4.3.3. Implement the defined actions	Measures have been taken to support the acceleration of digitalization processes in banks, the "Rules for the issuance and use of payment cards" were amended by the decision of the Central Bank of the Republic of Azerbaijan dated October 28, 2019 in order to increase the possibility of contactless payment.



STRATEGIC ROADMAP FOR DEVELOPMENT OF FINANCIAL SERVICES IN THE REPUBLIC OF AZERBAIJAN

31	4.4.1. Analyze the current situation in reporting and disclosure of information	International practice on reporting and disclosure of information has been studied. In particular, column III of the Basel Committee on the Capital Agreement, European Directives, information disclosed to the public by leading banks, basic principles of insurance, and the experience of a number of countries related to processing centers have been considered. The diagnostics of the reports have been carried out in two directions: (i) diagnostics of normative-legal acts (requirements established by the legislation) on disclosure of information to the public; (ii) implementation status of the requirements of legislation. The possibilities of standardizing the reports of financial market participants to be disclosed to the public have been analyzed.
32	4.4.3. Establish a mechanism for disclosure of information	"Corporate Governance Standards in Banks" was approved by the Decision of the Financial Market Supervisory Authority of the Republic of Azerbaijan dated July 11, 2019.
33	4.5.1. Conduct an analysis of the regulatory and supervisory mechanism in the insurance sector	Diagnosis of the regulation and supervision mechanism in the insurance sector has been carried out. In this context, the compliance of insurance legislation with the ICP (Insurance Core Principles) developed by the International Association of Insurance Supervisors has been assessed. Taking into account the shortcomings identified as a result of the assessment, areas for strengthening the regulatory and supervisory framework have been identified.
34	4.5.2. Develop an action plan for the application of new mechanisms	"Action Plan for regulation and supervision of the insurance sector (2017-2019)" was approved. The plan is divided into 3 main areas: 1) rehabilitating the insurance market, ensuring sustainability and stability; 2) formation of a sustainable insurance market; 3) establishment of an effective insurance system.
35	5.1.1. Coordinate the actions for improvement of the potential	"Action Plan to increase professional knowledge and skills" has been developed and implemented.
36	5.2.1. Identify the areas for increasing financial literacy	The Central Bank's Financial Literacy Strategy has been revised. Also, the results of surveys conducted by local and international organizations among the population of the country have been analyzed and activities have been identified in order to increase the level of financial literacy of various target groups together with partner organizations.
37	5.2.2. Determine the actions	An Action Plan has been developed to implement the priority "Increasing financial literacy and strengthening the protection of consumers' rights".
38	5.2.3. Implement pilot projects	Central Bank Virtual Education Platform (https://edu.e-cbar.az/) has been established and launched. VEP is a free platform that supports the acquisition of knowledge and skills in the field of economics and banking and finance.
39	5.2.4. Implement and monitor the actions	Educational seminars on various topics for students of non-economic specialties of higher and secondary education institutions; trainings on "Financial Literacy for Youth" for students and youth; educational trainings in vocational education institutions; small households, as well as trainings for "ABAD" families; trainings and seminars on financial literacy in the workplace; trainings and seminars on financial literacy for retirees; animations related to the use of banking services in quarantine regime; infographic competition on digital payments and other projects have been implemented.



STRATEGIC ROADMAP FOR DEVELOPMENT OF FINANCIAL SERVICES IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the partly implemented measures	Note
1	1.1.6. Improve the mechanisms for deposit insurance	Draft normative legal acts have been prepared to improve the deposit insurance mechanism.
2	1.2.1. Create legal mechanisms for management of non - performing assets	Draft normative legal acts related to the formation of the non-performing asset management market have been prepared.
3	1.2.3. Define a restructuring strategy	Strategies for working with the portfolio of non-performing assets have been studied and a project has been developed.
4	1.3.4. Develop an action plan and start its execution	Action plans have been developed for the development of agricultural insurance, microinsurance, co-insurance and compulsory health insurance.
5	1.4.2. Create suitable regulatory and dynamic supervisory frameworks for the financial institutions that serve for financial inclusion	Appropriate measures have been taken to ensure the application of the principles of sound lending and responsible borrowing in financial service institutions.
6	2.1.6. Establish a profitability curve	An action plan has been developed to form a profitability curve on government securities.
7	2.1.7. Promote the process of securitization	International practice in regulating and applying the securitization process has been studied.
8	2.2.5. Implement the defined actions	Measures have been taken to analyze access to financial markets and identify initiatives to increase transparency.
9	2.3.3. Establish a market maker institution	Legislative drafts have been prepared to establish a market maker institute.
10	3.1.3. Assess the opportunities for establishing national rating agencies	The opportunities for the establishment of national rating agencies have been assessed, taking into account best international practices.
11	3.2.3. Develop action plan and start its application	An Action Plan consisting of amendments to the legislation, inter-agency integration and organization of awareness-raising activities on Priority 3.2 has been developed.
12	3.2.4. Monitor the action plan	The results of the measures taken to improve the system have been monitored and evaluated.
13	4.1.2. Develop a roadmap	An action plan has been developed for the full implementation of Column 2 of Basel II standard and a prudential regulatory mechanism for market risks has been established.
14	4.2.2. Organize a consolidation – based prudential supervision	A roadmap has been prepared for the organization of consolidation – based prudential supervision.
15	4.2.4. Ensure the transition to consolidated risk-based supervision	An action plan has been established to ensure the transition to consolidated risk-based supervision.
16	4.4.2. Develop new reporting templates	In order to develop new reporting templates, improvement directions have been identified based on the results of research and diagnostics.
17	4.5.3. Implement the action plan	A working group on the implementation of the "Action Plan for regulation and supervision of the insurance sector" has been established and a monitoring mechanism for the action plan has been developed.



STRATEGIC ROADMAP FOR FOR DEVELOPMENT OF AFFORDABLE HOUSING IN THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROADMAP FOR DEVELOPMENT OF AFFORDABLE HOUSING IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.1.1. Examine the legal framework of housing and clear transfer of authority to MIDA, share the drafted legal changes with relevant stakeholders	<p>"Rules of acquisition by citizens of apartments being at the disposal of the State Housing Development Agency of the Republic of Azerbaijan on preferential terms" was approved by the Decree of the President of the Republic of Azerbaijan No. 1113 dated November 16, 2016.</p> <p>Decree of the President of the Republic of Azerbaijan No. 1113 dated November 16, 2016 "On some issues associated with the activity of the State Housing Development Agency of the Republic of Azerbaijan" was amended by the Decree of the President of the Republic of Azerbaijan No. 469 dated January 14, 2019.</p> <p>"Charter of the State Housing Development Agency of the Republic of Azerbaijan" was approved by the Decree of the President of the Republic of Azerbaijan No. 1819 dated February 7, 2018 "On some issues associated with ensuring the activity of the State Housing Development Agency of the Republic of Azerbaijan".</p> <p>"Regulations on the Affordable Housing System" was approved by the Decree of the President of the Republic of Azerbaijan No. 1418 dated May 24, 2017.</p>
2	1.1.2. Create an effective organization development plan for MIDA	The organizational development plan of the State Housing Development Agency for 2020-2022 has been prepared.
3	1.1.3. Prepare and get the approval of the budget for MIDA and take measures to minimize funding from government	<p>Forecasts for of the State Housing Development Agency on medium and long-term allocations have been prepared, measures have been taken to attract private investment to minimize state funding for the State Housing Development Agency.</p> <p>In general, over the past 5 years, about 80 million AZN worth of private investment has been attracted to SHDA's projects within the public-private partnership for the construction of apartment buildings, telephone, television and internet lines and the provision of relevant services to residents.</p>
4	1.2.3. Define and approve state support mechanisms and improve regulatory framework for affordable housing	Legislation has been improved to define state support mechanisms for affordable housing.
5	2.1.1. Conduct a nation-wide study for affordable housing development projects and locate necessary lands	In order to organize the population to have apartments on preferential terms, the State Housing Development Agency were allocated 11.6 hectares of land in Yasamal district in 2016, 20 hectares in Surakhani district, 15.4 hectares in Yasamal district in 2017, 0.75 hectares in Sumgait city in early 2019, 6.23 hectares in Ganja city in June 2019, 23.25 hectares in Surakhani in 2020. In addition, in March 2021, 1.5 hectares of land in Lankaran and 2 hectares in Sumgayit were placed at the disposal of the Agency for the construction of affordable housing.
6	2.1.2. Transfer ownership of selected lands to MIDA LLC for affordable housing development projects	Relevant work has been done in connection with the application of the relevant mechanism for the transfer of property rights to the State Housing Development Agency, and proposals in this area have been prepared and submitted to the relevant authorities.
7	2.2.1. Identify beneficiaries based on selected categories	List of Individuals entled to use mortgage credit on preferenal terms has been idenfied and expanded in accordance with paragraph 3.2 of the approved by the Decree of the President of the Republic of Azerbaijan No. 940 dated June 22, 2016 "Rules of granng a mortgage credit at the cost of the funds belonging to the Azerbaijan Mortgage Fund ,including a mortgage credit on preferenl terms".
8	2.2.2. Establish infrastructure, make public announcement of beneficiary criteria, ensure application and allocation process, monitoring and annual reporting	During the reporting period (2016-2020) a total of 4805 apartments, 2 secondary schools, 3 kindergartens, 1 medical center were built in Yasamal Housing Complex and Hovsan Housing Complex. The sale of 1633 preferential apartments located in Yasamal Housing Complex has been completed, and the registration of 655 apartments for sale in Hovsan Housing Complex has been completed. As a result of the Agency's activities for 5 years, a total of 3,279 families have been provided with apartments.
9	2.2.3. Coordinate the process for the identification of beneficiaries who receive government support	In order to improve the housing conditions of employees of state bodies, organizations and enterprises on the basis of the state order, a total of 1418 apartments have been allocated from the projects of the State Housing Development Agency on the basis of the state order.
10	2.3.1. Choose different delivery models	Proposals on the forms and methods of mechanisms of different delivery models have been prepared and the principles of selection of delivery models have been defined.



STRATEGIC ROADMAP FOR DEVELOPMENT OF AFFORDABLE HOUSING IN THE REPUBLIC OF AZERBAIJAN

11	2.3.2. Set relevant criteria for selection of private construction investment companies	Relevant criteria for selection of private construction investment companies has been approved.
12	2.4.1. Identify, approve and publish preconditions and legal amendments required to take the actions for the development of mortgage market	Decree of the President of the Republic of Azerbaijan No.1530 dated 13 July 2017 "On Amendments to the Decree of the President of the Republic of Azerbaijan dated June 22, 2016 No.940 On some issues of mortgage credit in the Republic of Azerbaijan" and Decree No. 30 of the President of the Republic of Azerbaijan dated May 1, 2018 "On approval of the Regulations on the "Electronic mortgage and credit guarantee system" were adopted .
13	2.4.2. Improve the legal framework for partnership and cooperation between AMF OJSC and MIDA housing agency	Decree of the President of the Republic of Azerbaijan No. 469 dated January 14, 2019 "On Amendments to the Decree of the President of the Republic of Azerbaijan No. 1113 of November 16, 2016" On Some Issues Related to the Activities of the State Housing Development Agency of the Republic of Azerbaijan ".
14	2.4.3. Include MIDA LLC's beneficiary selection criteria in respective mortgage eligibility procedure	"Rules of acquisition by citizens of apartments being at the disposal of the State Housing Development Agency of the Republic of Azerbaijan on preferential terms" was approved by the Decree of the President of the Republic of Azerbaijan No. 1113 dated November 16, 2016. Decree of the President of the Republic of Azerbaijan No. 469 dated January 14, 2019 "On Amendments to the Decree of the President of the Republic of Azerbaijan No. 1113 of November 16, 2016" on "some issues associated with the activity of the State Housing Development Agency of the Republic of Azerbaijan" were adopted.
S/s	Name of the partly implemented measures	Note
1	1.2.1. Predict housing development and draft state housing program within joint partnership with AMF OJSC and MIDA	Requirements and areas of research have been identified to conduct a comprehensive country-wide study of housing needs and the housing market, relevant measures have been taken to prepare a housing construction forecast and a draft state program.
2	2.1.3. Implement infrastructural initiatives for unlocking suitable lands and create a healthy housing market	Legislation has been drafted to attract land for affordable housing projects.
3	2.3.3. Reach out to local investors, explain the development plans of MIDA, and invite potential international investors	Cooperation has been established with local investors.



STRATEGIC ROADMAP FOR DEVELOPMENT OF VOCATIONAL EDUCATION AND TRAINING IN THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROADMAP FOR DEVELOPMENT OF VOCATIONAL EDUCATION AND TRAINING IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.1.1. Identify strategic employment areas and forecast the demand for workforce	According to the Decree No. 775 of the President of the Republic of Azerbaijan dated July 4, 2019, "National Observatory on Labor Market and Social Protection Affairs" public legal entity was established in order to assess the current situation in the labor market and social protection, study development trends and conduct monitoring, prepare analyses and forecasts to make effective management decisions. Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 474 dated December 12, 2019 approved the "Rules for the development, retraining, approval, registration and extension of professional and qualification standards." The "Rules for the organization of vocational training of job seekers and unemployed persons" were approved by the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 261 dated June 7, 2019.
2	1.1.2. Prepare an action plan to study in detail and to optimize the current status of vocational education schools	The resolution No.507 of the Cabinet of Ministers of the Republic of Azerbaijan dated 28 November 2018 on "Amendments to the list of subordinate institutions not included in the structure of the Ministry of Education of the Republic of Azerbaijan" was adopted and "on rationalization of the network of vocational education institutions" approved by the resolution No.118 of the Cabinet of Ministers of the Republic of Azerbaijan dated 15 July,2011. The "Action Plan for 2020-2025 on the implementation of the Employment Strategy" approved by the Decree of the President of the Republic of Azerbaijan No. 1816 dated February 13, 2020 considers expanding the network of regional vocational education centers and improving the management system, dual vocational education ("dual" education "and other important measures related to vocational education. The Law of the Republic of Azerbaijan No. 1071-VQ dated April 24, 2018 "On Vocational Education" was adopted.
3	1.1.3. Implement an optimization process in large industrial centers and in regions	Measures to rationalize and optimize vocational education institutions have been continued. In 2018, as a continuation of rationalization and optimization measures in the regions, 10 specialized Vocational Education Centers have been established on the basis of 20 vocational education institutions. In total, on the basis of 55 vocational education institutions, 24 Vocational Education Centers specializing in various fields have been established.
4	1.1.4. Establish pilot vocational education schools	An action plan for the establishment of selected pilot vocational education schools has been developed. Baku State Vocational Education Center for Industry and Innovation has been reconstructed on the basis of Korean educational standards, with the opportunity to teach technical vocational education in 9 areas and higher technical education in 2 areas.
5	1.1.5. Build mechanisms for the partnership of pilot vocational education schools with employers and develop vocational standards and curriculums	Partnerships have been established between pilot vocational education schools and employers. During 2020, a Memorandum of Understanding was signed with 14 employers, a total of 1,189 employers supported the organization of internships and 13,269 students were involved.
6	1.1.6. Ensure public awareness about pilot vocational education schools and implement enrolment	The "Rules of admission to vocational education institutions" were approved by the Resolution No. 102 of the Cabinet of Ministers of the Republic of Azerbaijan dated March 15, 2019. Information on the partnership between vocational education institutions and employers was published on the official websites of the Ministry of Education of the Republic of Azerbaijan, the State Agency on Vocational Education, other social media, the media, as well as in the newspaper "Azerbaijan Muallimi", Programs and plots have been prepared on Education TV and other TV channels. Interviews were given in the media and articles were published on social networks about projects that reflect successful public-private partnerships.



STRATEGIC ROADMAP FOR DEVELOPMENT OF VOCATIONAL EDUCATION AND TRAINING IN THE REPUBLIC OF AZERBAIJAN

7	1.2.1. Carry out an assessment of current teacher personnel in vocational education schools and increase their knowledge and skills	<p>"Rules for attestation of students at the level of vocational education" was approved on April 3, 2019.</p> <p>From January 1, 2018, the weekly workload norm of teachers working in public vocational education institutions, whose knowledge and skills have been diagnostically assessed, has been increased by 1.5 times, and monthly salaries have been increased on an average of 2 times.</p> <p>During 2018, the diagnostic assessment of the engineering and pedagogical staff of vocational education institutions was completed.</p>
8	1.2.2. Determine actions to attract new teacher personnel to vocational education and training process	Relevant appeals were made to involve relevant employees of employers in the educational process as teachers and a number of specialists were provided with jobs in vocational education institutions.
9	1.2.3. Select new teacher personnel with industry expertise and organize relevant training	<p>Based on the request of the Ministry of Education, specialists invited from partner employers who want to teach in vocational education institutions have been identified, in order to acquaint future teachers with the pedagogical process and prepare them for the teaching process, pedagogical trainings have been held.</p> <p>In-service trainings on pedagogy and didactics were held in 2019 for the newly started engineering and pedagogical staff of the educational institution established on the basis of the Baku State Vocational Education Institution for Industry and Innovations.</p>
10	1.2.4. Monitor the performance of new teacher personnel	Relevant criteria and assessment methodology for evaluating the activities of the new teacher personnel have been developed, relevant measures have been taken to conduct monitoring in the relevant periods.
11	2.1.2. Determine the scope of products and services to be produced by vocational education schools as well as the minimal standards for those products and services	Relevant products (wine, masks, etc.) has been organized by vocational education institutions, relevant work has been done to establish minimum standards for these products.
12	2.1.4. Organize the sales of products and services produced by vocational education schools	<p>Within the framework of joint cooperation of Ismayilli Vocational Training Center and "Ismayilli Sharab 2" OJSC, measures have been taken to establish "PeSharab" brand for wine production. At present, within the initiative of producing 5,400 red and white wines, the finished product is expected to go on sale under a special trademark of the Ismayilli Vocational Training Center.</p> <p>Baku State Vocational Education Center for Tourism and Social Services together with "SAVE Tekstil" LLC has started production of medical masks.</p> <p>Handicrafts of students majoring in "Carpet weaver" of Ismayilli Vocational Training Center have been sold through "Abad", new raw materials have been purchased on the basis of income from sold carpets.</p>
13	3.1.3. Prepare mechanisms to organize adult education and upskilling courses	In 2020, more than 200 people in 17 specialties were involved in short-term vocational training courses in educational institutions under the State Agency for Vocational Education.
14	4.1.2. Promote entrepreneurial mindset in vocational education system	<p>A training was held on September 25, 2018 in Baku to present the "Entrepreneurship" module developed within the framework of the "EU Support to the Development of Vocational Education and Training (VET) in Azerbaijan" project. The training was attended by 48 teachers teaching the "Entrepreneurship" module. Also, trainings on "Application of competency-based, results-oriented curricula" were held in Baku within the project. The trainings were also attended by teachers who will teach the "Entrepreneurship" module in pilot schools.</p> <p>Within the framework of the projects implemented by the Junior Achievement Azerbaijan PU, the training "Essentials of Entrepreneurship" was organized.</p>
15	4.2.1. Support alignment with overall sectorial requirements	In order to support alignment with overall sectorial requirements, in accordance with the requirements of the relevant sectors, taking into account the existing development trends in the country and in the world, new training programs (curricula) have been developed.



STRATEGIC ROADMAP FOR DEVELOPMENT OF VOCATIONAL EDUCATION AND TRAINING IN THE REPUBLIC OF AZERBAIJAN

16	4.2.2. Support alignment with sector- specific requirements	"Roadmap for increasing the capacity of vocational education institutions teaching relevant specialties in the agricultural sector" has been approved. The report "Analysis of regional tourism in Azerbaijan" has been prepared, training needs has been identified, and an action plan on specific requirements for the tourism sector has been prepared.
17	5.1.1. Prepare mechanisms for the recognition of competences and skills acquired through informal and non-formal schemes	Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 279 of August 5, 2020 "Rule on conducting examinations and issuing documents confirming the professional qualification of citizens in order to assess and recognize the knowledge, skills, competencies and experience acquired by citizens through non-formal and informal forms of vocational education" was approved.
18	5.2.2. Establish a database	A database on vocational education has been established.
S/s	Name of the partly implemented measures	Note
1	1.1.7. Organize the monitoring and control of partnership programs	A monitoring and control mechanism has been established for partnership programs with employers.
2	2.1.1. Improve the legal framework related to the sales of products and services produced by vocational education schools and assess the production capabilities of selected pilot vocational education schools	The financial situation of selected pilot vocational education institutions and opportunities to increase extra-budgetary revenues have been analyzed.
3	2.1.3. Governance and monitoring system for non-budgetary funds	The Vocational Education Development Fund was established under the Ministry of Education of the Republic of Azerbaijan by the Resolution No. 299 of the Cabinet of Ministers of the Republic of Azerbaijan dated August 18, 2020. The Fund is a public legal entity that supports the development of vocational education, ensuring transparent, efficient and centralized management of income and expenditures in the field of vocational education and fair distribution among vocational education institutions under the Ministry of Education of the Republic of Azerbaijan.
4	2.1.5. Evaluate production activities in vocational education schools that are carried out for sales purposes	The activities on production and sale of products and services in a number of pilot vocational education schools have been evaluated.
5	2.1.6. Identify alternative financing sources	International organizations have been involved in financing areas such as the organization of trainings for the management and teaching staff of vocational education schools and the development of educational programs (curricula). Curriculum and modular textbooks have been developed and trainings have been organized within the framework of joint projects with the German Society for International Cooperation, the European Union, the United Nations Development Program and other international organizations.
6	2.2.1. Determine key performance indicators for vocational education schools	Relevant key performance indicators have been identified, taking into account the areas of specialization of vocational education schools.
7	2.2.2. Establish performance based funding system	Advanced international practice on performance based funding system in vocational education schools has been studied.
8	3.1.1. Establish appropriate legal framework for adult training and upskilling courses in vocational education schools	Legislation on the organization of adult training and upskilling courses in vocational education schools has been developed.
9	3.1.2. Hold discussions with interested parties regarding the organization of adult education and upskilling courses	Educational programs (curricula) for adult education and upskilling courses have been developed, teaching staff has been selected.
10	5.1.2. Form legal framework with respect to the compulsoriness of requiring documents to confirm craft professions at the time of recruitment	Proposals have been prepared on forming legal framework with respect to the compulsoriness of requiring documents to confirm craft professions at the time of recruitment.
11	5.2.1. Analyze current data infrastructure	Current data infrastructure has been analyzed in vocational education schools.
12	5.2.3. Create a website to reflect data on vocational education system	Audit and verification mechanisms have been identified to ensure the accuracy of the information provided by vocational education institutions.



**STRATEGIC ROADMAP FOR
DEVELOPMENT OF TELECOMMUNICATIONS AND INFORMATION
TECHNOLOGIES
IN THE REPUBLIC OF AZERBAIJAN**



STRATEGIC ROADMAP FOR DEVELOPMENT OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGIES IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.2.1. Attract investors and consider privatizing telecommunication organizations under MCHT	Possibilities of privatization of telecommunication enterprises subordinated to MCHT, as well as state-owned shares of the ministry in other enterprises by attracting private investments have been analyzed.
2	1.2.2. Select models to expand broadband infrastructure coverage	"Development Plan for the expansion of fiber-optic network in the country in 2018-2020" was prepared and implemented and the development plan was monitored.
3	1.2.5. Create a transit traffic line	Feasibility study has been developed for the construction of the section of the fiber-optic internet line in the Caspian Sea under the TASIM project, relevant measures have been taken in accordance with the requirements of the feasibility study.
4	1.2.6. Use of decommissioned copper raw materials in the fixed network	Methods of selling copper raw materials in decommissioned cables as a result of reconstruction have been analyzed. Proceeds from the sale of extracted copper wires have been used to purchase and install cables and various equipment.
5	1.3.1. Develop guidelines and determine procedures for efficient LTE allocation process	An action plan in accordance with relevant guidelines and procedures for efficient LTE allocation process has been implemented.
6	2.1.1. Form a work group for digital payment expansion	A work group has been formed for digital payment expansion, factors hindering the development of digital payments in the country have been investigated.
7	2.1.2. Proposals to be presented by the work group	"State Program on the Expansion of Digital Payments in the Republic of Azerbaijan in 2018-2020" was approved by the Order of the President of the Republic of Azerbaijan No. 508 dated September 26, 2018.
8	2.1.3. Carry out educational, awareness and promotional activities for wider use of digital payments	Relevant measures have been taken to increase financial literacy and public awareness of digital payments. Materials on digital payments have been prepared and submitted through the Financial Literacy Portal (https://bizimpullar.az/)
9	2.2.1. Form a work group to explore the opportunities for wider use of technologies in business activities	Relevant work group has been formed to explore the opportunities for wider use of technologies in business activities. According to the "Government Cloud"(G-cloud) Concept approved by the Decree No. 718 of the President of the Republic of Azerbaijan dated June 3, 2019, extensive use of cloud services by businesses will be one of the key factors in increasing the efficiency and productivity of their business operations, it will also serve to increase the competitiveness of small and medium-sized enterprises (SMEs) by increasing their use of digital technologies.
10	2.2.2. Stimulate businesses for digital transformation	According to the Law of the Republic of Azerbaijan No. 1356-VQD dated November 30, 2018, relevant tax exemptions have been added to the Tax Code regarding the startups that are micro or small businesses and operate as legal entities (or sole proprietors), in this regard, the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan No. 20 dated January 29, 2021 approved the "Criteria for determining the startup". In accordance with the "State Program on the expansion of digital payments in the Republic of Azerbaijan in 2018-2020", relevant measures have been taken to develop digital entrepreneurship and other areas.
11	2.2.3. Support the development of new local infrastructure	Relevant measures have been taken to support the development of new local infrastructure.
12	2.3.1. Create a "Technology Education Group"	"Technology Education Group" has been created, its functions have been defined, an action plan has been prepared and approved



STRATEGIC ROADMAP FOR DEVELOPMENT OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGIES IN THE REPUBLIC OF AZERBAIJAN

21	2.5.1. Carry out reforms for digital education development to ensure increased ICT knowledge and skills	The scope of the Digital Skills project has been expanded, the STEAM project has been launched, access to the corporate Intranet and Internet networks of the education system of about four thousand educational institutions across the country has been provided, measures have been taken to strengthen human resources and enrich e-learning resources, educational institutions are equipped with computers, robot technology, projectors and electronic boards. In addition, in order to continue education in the special quarantine regime applied in the country in connection with the "COVID-19" pandemic, the "Virtual School" project was launched by the Ministry of Education in April 2020.
22	2.5.2. Implement and develop "e-school" system	Within the framework of the education information system, an action plan has been developed for the introduction of the "Electronic school" system in all schools and appropriate measures have been taken to implement it. The analysis of the possibilities of coordinating the activities of the e-school system from a single center and creating a single database has been conducted. General Education Information System (GEIS) has been created, all information about secondary schools (about the infrastructure, pupils, pedagogical and administrative staff of each institution) has been included in the database. Opportunity to receive statistical reports through the GEIS system has been created.
23	2.5.3. Organize refresher courses	Measures have been taken to increase ICT literacy for the pedagogical and administrative staff of the education system, in 2020, trainings were organized for 600 people working in education sector in ICT and modern technologies in the field of vocational education. In addition, in-service training and internships on the application of ICT in education were held, covering the pedagogical, administrative and support staff of general education, vocational and higher education institutions, as well as employees of educational offices. A total of 25,000 people participated in the trainings, which covered "Microsoft Teams", "STEM", "Python" programming language, "PolyUp" platform, various electronic resources and application of interactive solutions in teaching.
24	3.1.2. Develop appropriate electronic service standards with the involvement of the Cabinet of Ministers of Azerbaijan Republic, MCHT and State Agency for Public Services and Social Innovations under the President of the Republic of Azerbaijan	By the Decision of the Board of the State Agency for Public Services and Social Innovations under the President of the Republic of Azerbaijan dated January 25, 2019, "Technical requirements for the Formation, Implementation, Integration and Archiving of State Information Resources and Systems", "Rules for registration of electronic services provided by central and local executive authorities, state-owned and state-controlled legal entities, public legal entities established on behalf of the state" were confirmed.
25	3.2.1. Envisage the creation of electronic health care programme	Relevant measures have been taken to create electronic health care programme.
26	3.2.2. Create a centralized medical registration system and integrate a variety of existing platforms of medical information systems into national healthcare network	Hospital Management System (HMS) software has been installed and trainings have been held in medical institutions across the country.
27	3.2.3. Create a unified standardization system	A number of standards and classifications have been published by the relevant body.
S/s	Name of the partly implemented measures	Note
1	1.1.1. Form a work group to determine Actions to be taken within the framework of reforms which will be carried out in telecommunications sector	A framework plan for the development of the telecommunications sector in Azerbaijan and a three-year transition plan for the establishment of a regulatory body have been developed.



STRATEGIC ROADMAP FOR DEVELOPMENT OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGIES IN THE REPUBLIC OF AZERBAIJAN

2	1.1.3. Establishment of the regulatory body and its activities	The “E-Services” section, “Interactive” and “Informative” sub-sections have been created on the website of the Ministry for e-services provided by the Ministry of Digital Development and Transport, detailed information have been posted on the provided e-services, including information on the rules of procedure, application forms, tariffs, bank account to be paid and the information has been regularly updated. In addition, e-application opportunities have been created on the website of the Ministry.
3	1.2.4. Consider other methods to drive broadband penetration	Partnerships have been established with wireless mobile network companies, resulting in increased 4G mobile network coverage by area and population.
4	1.3.2. Ensure transparent and efficient LTE spectrum allocation among mobile operators	Legislation has been drafted to conduct an auction on the distribution of frequencies.
5	2.3.3. Strengthen staff training to manufacture product sand provide services that ensure competitive ICT sector	An Action Plan for 2018-2020 has been developed in connection with the "Implementation of pilot programs with the participation of professional trainers with knowledge of technology in selected educational institutions."
6	2.4.6. Ensure mutual international recognition of esignature including ASAN Signature	A number of measures have been taken to ensure mutual international recognition of esignature including ASAN Signature.
7	2.5.4. Evaluate knowledge and skills	The current situation in the field of assessment of students' ICT skills has been studied.
8	3.1.1. Upgrade governmental IT systems	The level of use of computer equipment and software in governmental institutions, as well as the possibilities of infrastructure integration between them have been analyzed, opportunities to create a centralized infrastructure for government agencies have been explored. Taking into account the use of the technical capabilities of the existing “Data Center”, measures have been taken to create a centralized infrastructure.
9	3.2.4. Issuing digital prescriptions	The State Standard "Health Information - Requirements for Digital Prescriptions" has been approved.



STRATEGIC ROADMAP FOR DEVELOPMENT OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGIES IN THE REPUBLIC OF AZERBAIJAN

13	2.3.2. Study technology education shortages and make relevant proposals	Technological Education Group conducted research in 4 higher education institutions (Baku State University, Azerbaijan Technical University, Baku Engineering University, Azerbaijan State Oil and Industry University) conducting training in the field of information and communication technologies and assessed the educational infrastructure.
14	2.3.4. Increase the technology literacy of businesses	SMB development centers have provided trainings and seminars on various topics for SMEs, including business innovation management, digital marketing for SMEs, etc, information and awareness-raising measures have been carried out in this area.
15	2.4.1. Completely digitize correspondence and eliminate paperwork within government sector	Decree No. 314 of the President of the Republic of Azerbaijan dated October 27, 2018 "On measures to digitize internal management processes in state agencies (institutions)" was adopted. Pursuant to paragraph 5.1 of the Decree, an Electronic Document Management System was established within the public-private partnership to completely digitize correspondence within government sector and eliminate the use of paperwork.
16	2.4.1-1. Completely digitize correspondence and eliminate paperwork in communication with government sector	Measures have been taken to digitize processes and ensure integration in the direction of completely digitizing correspondence and eliminate paperwork in communication with government sector. "Regulations on Public procurement single web portal" were approved by the Decree of the President of the Republic of Azerbaijan No. 647 dated April 16, 2019. "Regulations on the Electronic Agriculture Information System" were approved by the Decree of the President of the Republic of Azerbaijan No. 897 dated December 23, 2019. According to the Decree of the President of the Republic of Azerbaijan dated December 28, 2018 No. 460 "On measures to simplify the issuance of construction permits for some construction projects and the operation of construction facilities", information system "Issuance of construction permits" has been established to issue permits for construction and operation of construction facilities that require and do not require expertise in the country.
17	2.4.2. Develop unified principles and standards to create information systems of government institutions	"Rules for the Formation, Implementation, Integration and Archiving of State Information Resources and Systems" were approved by the Decree of the President of the Republic of Azerbaijan No. 263 dated September 12, 2018.
18	2.4.3. Develop quality standards for the execution of governmental services	Decision No. 1 / 1-06 of the Board of the State Agency for Citizen Services and Social Innovations under the President of the Republic of Azerbaijan October 17, 2016 "On approval of the" Rules for evaluation of public services on the "ASAN service index" " was amended by the Decision of the Collegium of the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan dated 19 October, 2019.
19	2.4.4. Develop mobile government (mGov) concept within eGov2.0 version	Draft of the mobile government (mGov) concept within eGov2.0 version has been developed.
20	2.4.5. Create "Government Cloud" (G-cloud)	The "Government Cloud" Concept was approved by the Decree of the President of the Republic of Azerbaijan No. 718 dated June 3, 2019. "Government Cloud" is a "cloud computing" technology that provides information systems owned by government agencies in a single data center infrastructure that meets international standards at a stable, flexible, secure and optimized cost, provides access to "cloud" services and allows access to information from anywhere.



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN

S/s	Name of the fully implemented measures	Note
1	1.1.1. Establish National Tourism Promotion Bureau	Azerbaijan Tourism Bureau was established by the Decree of the President of the Republic of Azerbaijan No. 1179 dated December 27, 2016 "On a number of measures related to the development of tourism in the Republic of Azerbaijan"
2	1.1.2. Implement necessary organizational works to ensure the operation of the Bureau	The Azerbaijan Tourism Bureau has been provided with all the necessary infrastructure, and the Bureau has created online communication platforms.
3	1.1.3. Implementation of different measures by the Bureau	The Tourism Bureau of Azerbaijan has created a new tourism brand of the country "Take another look" and held marketing events. At the same time, the website "WhereisKarabakh.com" ("Where is Karabakh located?") has been launched. The "Rules for maintaining the Tourism Register" have been approved by the Decision No. 16 of the Cabinet of Ministers of the Republic of Azerbaijan dated January 23, 2020.
4	1.1.4. Prepare a marketing and communication plan of Baku city for 2017 – 2020	Marketing and communication plans have been developed and implemented during the relevant years.
5	1.1.5. Create a tourism calendar for Baku City to coordinate the timing of all major events	The tourism calendar of the country and Baku has been created on the websites www.azerbaijan.travel and www.salambaku.travel , which promote the country's tourism potential.
6	1.2.1. Take measures towards creating online awareness and preventing difficulties frequently met by tourists in order to ensure awareness among tourists about Baku at a sufficient level	In order to ensure awareness about Baku at a sufficient level, comprehensive awareness-raising events have been held, as well as relevant online information platforms have been developed and launched.
7	1.2.2. Take measures to increase awareness among tourists visiting Baku and further travelling to the regions	Tourism Information Centers and tourist information offices have been established to guide tourists and organize trips to the regions, placement of informational publications in appropriate places and distribution have been ensured.
8	1.2.4. Implement various support mechanisms by the Bureau	The Tourism Training and Certification Center was established in 2020 to increase the professionalism and competitiveness of tourism professionals in the labor market. The center conducted trainings and seminars on various topics. At the same time, in order to promote the country's tourism potential, the participation of tour operators in tourism exhibitions to be held in a number of foreign countries has been ensured.
9	1.2.5. Improve services provided by city tour transport vehicles	The city tour transport services that organize city walks in Baku have been improved in terms of time, efficiency and coverage, these services include experienced tour guides, as well as audio recordings in Russian and English, relevant information has been posted at the airport, hotels and other accommodation facilities to raise awareness of tourists about tourism centers.
10	1.2.7. Prepare and promote Nowruz holiday packages	"Icheri Sheher" State Historical-Architectural Reserve Department held a festival called "Art Quarter - 2019" on March 21-22 in "Gala" State Historical-Ethnographic Reserve organized by "Icheri Sheher" Museum Center. On the occasion of the festival, guests were offered special discounted Novruz holiday tickets, in addition, free transport services were provided to the population to ensure easy access to the Gala Reserve. In addition, on the eve of Novruz, the private sector has encouraged the preparation and promotion of various holiday packages (domestic and foreign tours).
11	1.2.8. Hold different events during F1 races	During F1 competitions, various events, including competitions, entertaining competitions, concerts, were held. At the same time, the Baku City Circuit (BCC) Academy has organized career fairs, various courses for volunteers and other events.



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN

12	1.2.9. Promotion of tourism services packages by the Bureau	Tourist cards have been developed and put into operation for the use of tourist buses and all tourist places. At the same time, necessary work has been done to promote tourist service packages.
13	1.2.10. Shopping festival packages	"Rule for the refund of the value added tax paid by individuals during shopping festivals for the goods that are not intended for commercial or production purposes, and that are purchased in the territory of the Republic of Azerbaijan" was approved by the Decree of the President of the Republic of Azerbaijan No. 1252 dated February 20, 2017. Also, on March 3, 2017, the "Rules for the organization of trade festivals" were approved. Baku trade festivals were held from April 10 to May 10 and October 15 to November 15, 2017.
14	1.3.1. Select key target countries	A survey of target markets has been conducted and a list of priority countries has been identified.
15	1.3.2. Select target countries and cities	There are 6 representative offices of the Azerbaijan Tourism Bureau to promote Azerbaijan as a tourist destination and attract more tourists to the country. These offices help the Tourism Bureau carry out B2B marketing activities in target countries. Representative offices have been opened in the Russian Federation, the United Arab Emirates, Saudi Arabia, China, India and Germany.
16	1.3.3. Pursue market research to implement promotion campaigns	The Tourism Bureau of Azerbaijan has created a new tourism brand of the country "Take another look" and held marketing events.
17	1.3.4. Implement a Baku city marketing campaign in target cities hiring marketing and media planning companies	Advocacy activities were held in the form of tourism and travel platforms, television channels, international exhibitions and tourism events, study tours, publication of printed materials, social media promotion, placement of articles in magazines, digital campaigns on various websites, events for foreign media representatives.
18	1.3.5. Identify marketing channels	Advocacy activities were held in the form of tourism and travel platforms, television channels, international exhibitions and tourism events, study tours, publication of printed materials, social media promotion, placement of articles in magazines, digital campaigns on various websites, events for foreign media representatives.
19	1.3.6. Open tourism representative offices and organize their activity in diplomatic missions of Azerbaijan	Representative offices have been opened in the Russian Federation, the United Arab Emirates, Saudi Arabia, China, India and Germany.
20	1.4.1. Prepare an action plan for funds to be allocated to tourism sector by the National Fund for Entrepreneurship Support	According to the Decree of the President of the Republic of Azerbaijan No. 24 dated July 31, 2018 "On improving the mechanism of state support for the development of entrepreneurship in the Republic of Azerbaijan", is represented on the Supervisory Board of the Foundation as a responsible representative of the State Tourism Agency. Funds have been allocated to the tourism sector by the relevant decisions of the Supervisory Board of the Entrepreneurship Development Fund.
21	1.4.2. Prepare a promotion campaign plan with regard to using the funds of the National Fund for Entrepreneurship Support in 2017 – 2020	Support for tourism development projects has been included in the "Priorities for the economy in order to effectively allocate funds of the Entrepreneurship Development Fund of the Republic of Azerbaijan". At the same time, the implementation of relevant promotion activities have been ensured.
22	1.4.3. Organize different events in Baku to promote unique values and products, as well as handcraft samples of Azerbaijan	"Icheri Sheher" State Historical-Architectural Reserve Department held a festival called "Art Quarter - 2019" on March 21-22 in "Gala" State Historical-Ethnographic Reserve organized by "Icheri Sheher" Museum Center. On the occasion of the festival, guests were offered special discounted Novruz holiday tickets, in addition, free transport services were provided to the population to ensure easy access to the Gala Reserve. The 1st Baku International Festival of Traditional Arts "Folk Art" was held.
23	1.4.4. Prepare an action plan for the promotion of beach tourism after 2020	The results of the implementation of the "Action Plan for the development of beach tourism in the Republic of Azerbaijan for 2017-2020" approved by the Order of the President of the Republic of Azerbaijan No. 2784 dated March 30, 2017 were analyzed, relevant measures have been taken to prepare proposals for the promotion of beach tourism for the next period.



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN

24	1.4.5. Assess big flagship projects for Baku	A number of large-scale projects that shape the image of Baku, reveal its tourism potential and increase the flow of tourists have been evaluated.
25	1.4.6. Create dedicated infrastructure, including "Duty free" shops	The operation of duty-free shops has been ensured at a number of customs posts of the State Customs Committee.
26	1.4.7. Create necessary conditions for building popular brand hotels in Baku	Currently, many international hotel brands in the country (Hilton, Marriott, Sheraton, Four Seasons, Fairmont, Accor, Holiday Inn, Radisson) operate on the basis of franchise and management contracts.
27	2.1.1. Ensure the operation of the tourism council	Decree of the President of the Republic of Azerbaijan No. 1179 of December 27, 2016 "On a number of measures related to the development of tourism in the Republic of Azerbaijan" was amended by the Decree of the President of the Republic of Azerbaijan No.441 dated 26 December, 2018.
28	2.1.2. Establish working groups in order to build proper coordination for development of tourism sector	A working group on the promotion of private investment in the tourism industry has been established, and subgroups on financial support, tax concessions, customs concessions, utility concessions, marketing support, property and land concessions have been formed.
29	2.1.3. Review the strategic roadmap priorities and propose necessary changes to existing programs to launch its execution	Proposals have been made to make the necessary changes to existing programs.
30	2.2.1. Establish the governance structure of TRZs	Management boards of Gusar, Guba and Khizi-Khachmaz TRZs have been established to manage Khizi-Khachmaz, Guba and Gusar tourism and recreation zones (TRZ).
31	2.2.5. Conduct a study to create new tourism recreation zones (TRZs)	In order to create new tourism and recreation zones, analyses have been conducted and proposals have been prepared.
32	2.3.1. Create a tourism calendar for Baku City and later for the entire country	The country's and Baku's tourism calendar has been created on the websites www.azerbaijan.travel and www.salambaku.travel , which promote the country's tourism potential.
33	2.3.4. Preference for non-seasonality in Baku city marketing campaigns	During the low tourist season, proposals have been made to disseminate information supporting the arrival of tourists through press releases, media events and online campaigns, promotion work has been continued, "Winter Campaign" has been implemented.
34	2.3.5. Move the hunting season to the low tourism season in compliance with relevant requirements	Terms and norms for hunting wild animals and birds have been determined by the relevant order of the Ministry of Ecology and Natural Resources.
35	2.4.1. Review the simplification of visa issuing mechanisms in international airports, as well as at border crossing points	Opportunities to simplify the visa issuing mechanisms have been considered and a relevant working group has been established in this area, international practice and the current situation has been analyzed.
36	2.4.2. Introduce self-serving kiosks for the visa on arrival tourists where tourists can fill the forms directly from kiosks	Extensive research has been conducted on the application of the e-visa system, international practice in the application of self-service terminals and electronic payments has been studied, 14 self-service terminals have been installed at the airport.
37	2.4.3. Improve e- visa issuing process	Work has been continued to improve the process of issuing e-visas, and the number of countries where e-visas are issued through the ASAN Visa portal has increased. Improvements have been made to the ASAN Visa system, and applications for foreigners or persons without citizenship to obtain an electronic visa to travel to the Republic of Azerbaijan have been processed within 3 hours through the ASAN Visa system.
38	2.4.4. Take necessary measures to ensure fast passage for foreigners and persons without citizenship in border crossing points	Order No. 2677 of the President of the Republic of Azerbaijan dated February 20, 2017 "On additional measures to accelerate the flow of tourists to the Republic of Azerbaijan" was signed. According to the order, in order to ensure fast passage for foreigners and persons without citizenship through the crossing points of the state border with the relevant countries, it is planned to establish appropriate infrastructure to identify specially designated lanes and carry out other necessary tasks. Necessary tasks have been carried out to ensure fast passage for foreigners and persons without citizenship in border crossing points.



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN

39	2.5.5. Evaluate options to establish strategic partnerships at national level with major airlines, resort chains or travel companies	The State Tourism Agency has become a member of the Pacific Asian Travel Association (PATA), an organization specializing in travel and tourism (inbound and outbound) in Asia and the Pacific. By becoming a member of the Association, our country has access to a wide network of PATA members and in-depth research on the Asian market.
40	3.1.2. Facilitate efforts to develop wellness products based on Naphtalan oil	A research group for naphthalene oil has been established, and research and analysis have been conducted in this area. Relevant work has been done to launch products based on naphtalan oil on the world market under the "Made in Azerbaijan" brand.
41	3.1.3. Undertake restoration and reconstruction works in existing accommodation alternatives, wellness facilities and other locations attractive for tourists in Galaalti, Naphtalan and Duzdag	Reconstruction of treatment and recreation centers in Galaalti, Naftalan and Duzdag has been ensured, the most modern medical rehabilitation opportunities have been created, the work of the centers has been further improved and expanded.
42	3.1.4. Initiate express and high quality bus and train services between Baku and Naphtalan	Relevant measures have been taken to ensure fast and high-quality bus and train services between Baku and Naftalan.
43	3.2.1. Improve transportation options	Proposals to improve transport links between winter tourism centers and regions where potential tourists live have been developed.
44	3.2.5. Develop and expand a mountain – ski training program in selected schools	Relevant work has been done to develop and expand the mountain – ski training program at "Shahdag Tourism Center" and "Tufandag" Winter-Summer Tourism Holiday Complex.
45	3.3.4. Promote new cultural tourism routes	Necessary measures have been taken to promote tourism routes that promote the riches of our country, as well as tourism routes that reflect the history, cultural heritage and cuisine of the capital and regions.
46	3.4.1. Identify and develop new target markets	Relevant market research has been conducted and a Strategy has been developed to attract business events from leading countries in terms of the number of business tourists.
47	3.4.2. Strengthen positions in markets of Russian Federation and Middle East countries	Regular meetings and discussions are held with local Congress Offices and business tourism offices to strengthen positions in markets of Russian Federation and the Middle East.
48	3.4.5. Participate in international events and organize promotion visits	During 2019, promotional visits were organized for international buyers and companies specializing in the Meeting Industry. In February 2020, an info tour was organized for the representatives of the Russian magazine MICE & more.
49	3.4.6. Build cooperation with international business tourism organizations	Participation in the 58th ICCA Congress in Houston, USA in 2019 was ensured.
50	4.1.1. Create a working group to coordinate efforts to improve vocational education and training programs in tourism	A working group has been created to coordinate efforts on vocational education and training programs in the field of tourism.
51	4.1.6. Take measures to create MBA programs in tourism	An MBA program specializing in tourism and hotel management has been established at the Azerbaijan State University of Economics, and a relevant MBA program has been established at the Azerbaijan University of Tourism and Management.
52	4.2.2. Prepare new national standards and manuals	Relevant work has been carried out to prepare national standards and manuals in the field of tourism.
S/s	Name of the partly implemented measures	Note
1	1.2.6. Take several measures to harness full potential of business travel to Baku	A calendar of business events has been compiled to harness full potential of business travel to Baku.
2	1.4.8. Prepare proposals to offer university dormitories as accommodation to tourists in summer seasons and implement relevant promotion campaigns	The possibility of using university dormitories located in Baku and meeting modern requirements as tourist accommodation facilities at an affordable price has been assessed, and proposals have been prepared.
3	2.2.2. Establish the activities of TRZ in line with tourism cluster	In order to develop a master plan for the development of TRZs, international practice has been studied and certain negotiations have been held.



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN

4	2.3.2. Promote tourists arrivals in all tourism sub-segments (wellness, environmental, business, rural, etc.)	Proposals have been made to implement a policy of attracting fewer tourists to traditional events, "From City to Village" project dedicated to the development of agro-ecotourism and rural tourism, "Head of the Mountains" music festival held in Khinalig village of Guba, "Guba Regional Cuisine Festival", "Azerbaijan Grape and Wine Festival" in Shamakhi, "Gusar Summer Fest Camp", "National Yaylaq Festival" in Gadabay and "Silk Road" International Music Festival in Shaki have been organized.
5	2.3.3. Support events and projects reducing seasonality in tourism promotion policies of the Republic of Azerbaijan	Proposals to support entrepreneurs have been developed to reduce the effects of the seasonality factor, In 2020, 2 entrepreneurs in Lerik region, 1 entrepreneur in Astara region, 1 entrepreneur in Gusar region, 1 entrepreneur in Naftalan city (sanatorium and tourism center), 1 entrepreneur in Shamakhi region and 1 entrepreneur in Zagatala region were allocated concessional loans.
6	2.3.6. Promote non- seasonal tourism in TRZs	Proposals for the implementation of measures to reduce seasonality have been prepared in the master development plans of TRZs.
7	2.5.1. Create a working group to achieve agreement in liberal air transport in parallel with the marketing and communication plan of Baku city for 2017 – 2020 set out in the Priority 1.1	In order to further increase the role of air transport in the country's economy, including the development of the tourism sector, proposals have been prepared by the State Tourism Agency.
8	2.5.2. In order to increase the number of airline companies in Azerbaijan, support creation of airline companies and national airline companies offering affordable prices	Azerbaijan's low-cost carrier Buta Airways has started operating since September 2017.
9	2.5.4. Identify current level of service in the regional airports of Azerbaijan and assess needs for airport expansions and take measures to implement investments in airports for 2020 – 2025	A study has been conducted to assess the needs for the expansion of the airport network.
10	3.1.1. Prepare an action plan on wellness tourism for 2017 – 2020	An action plan has been prepared by the State Tourism Agency for the development of wellness tourism.
11	3.2.4. Conduct analysis to evaluate the current status of state –owned hotels in winter tourism areas and improve accommodation options	Relevant measures have been taken to ensure flexibility in the existing management and optimize the operation of state-owned hotels in winter tourism areas.
12	3.3.1. Draw routes of daily to weekly driving and walking routes for all cultural, historical and national park attraction points in northern, northern-western and western corridors of Azerbaijan	Measures have been taken to design the Great Silk Way cultural tourism route in accordance with the needs of tourists.
13	3.3.2. Develop a certification program for tourist guides on Silk Way and other cultural routes	With the support of international organizations, educational programs on "Hotel Administrator", "Tourism Catering Specialist", and "Tourism Organizer" has been developed and approved within the framework of the grant project "Creation of vocational education and training pilots in agriculture and tourism of Gabala, Ismayilli and Gakh regions". Training in these specialties was organized in vocational schools located in Baku, Ganja, Sheki, Guba, Gabala, Ismayilli, Naftalan, Lankaran. The Azerbaijan Guides Association conducted a training on the preparation of tourist guides on thematic routes in Zagatala and Balakan regions.
14	3.3.3. Ensure provision of funds as specified by Priority 1.4 to incentivize the development of tourism infrastructure and provide consultancy services to entrepreneurs	5 investment promotion documents and 9 supporting documents have been submitted to 4 business entities in the field of tourism. In order to support projects related to the further development of infrastructure along tourism routes, the Entrepreneurship Development Fund provided concessional loans to 1 entrepreneur in Shamakhi region on the "Wine Road" tourism route and 1 entrepreneur in the Zagatala region on the "Early Christian Heritage" tourism route. Also, entrepreneurs operating on tourist routes and affected by the pandemic have been also supported through subsidy and guarantee mechanisms.



STRATEGIC ROADMAP FOR THE DEVELOPMENT OF SPECIALIZED TOURISM INDUSTRY IN THE REPUBLIC OF AZERBAIJAN

15	3.4.3. Create Honorary Ambassadors Club for Meetings Industry	Honorary Ambassadors Club has been established, and a training on "Directions for the development of the business events industry" has been organized for club members.
16	3.5.1. Study Azerbaijan's eco-tourism potential and organize various tourism activities in national parks	A concept for the sustainable development of ecotourism has been developed in Azerbaijan.
17	3.5.2. Develop rural tourism in Azerbaijan	Action plan for the development of rural tourism in Azerbaijan has been prepared.
18	3.5.3. Create and Promote Shamakhy Safari Park	Shamakhy Safari Park has been created.
19	4.1.2. Implementation of several measures by the working group	In order to increase the capacity of trainers in the field of tourism, a 4-day training program for trainers has been conducted by the Austrian training and presentation platform "Think-Modular". The Tourism Training and Certification Center has developed training modules and curricula on 3 topics: Front Office, Food and Beverage, Housekeeping.
20	4.1.4. Take measures for the preparation of professional standards and curriculum for tourism sector education and certification of tourism guides	With the support of international organizations, educational programs on "Hotel Administrator", "Tourism Catering Specialist", and "Tourism Organizer" has been developed and approved within the framework of the grant project "Creation of vocational education and training pilots in agriculture and tourism of Gabala, Ismayilli and Gakh regions". Training in these specialties was organized in vocational schools located in Baku, Ganja, Sheki, Guba, Gabala, Ismayilli, Naftalan, Lankaran.
21	4.2.1. Amendments and changes to legislation	A new draft law "On Tourism" has been prepared.
22	4.2.3. Improve the existing standards	"Tourism services. + C12: D79 Requirements for the organization of training and retraining programs for professional tourist guides" State Standard has been updated, "Classification of accommodation. Minimum requirements" a draft of state standard has been developed.



Issue responsible persons:
Head of Efficiency Assessment Department - Yusif Safarov
Designers - E. Zeynalova and E. Tahmazli

AZ 1073, Baku,
Yasamal district, G. Khalilov str., 47
Tel.: (+994) 12 521 25 35
info@ereforms.gov.az

www.ereforms.gov.az