

United Nations Development Programme

Country: Azerbaijan

Project Document

Project Title:	Good Governance through Civil Service Reform Phase III
UNDAF Outcome:	The State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups
Expected CP Outcome:	Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches
Expected Output:	Capacity of Civil Service Commission under the President of Azerbaijan and civil servants from state institutions to implement the ethics code and performance appraisal system increased
Executing Entity:	Civil Service Commission under the President of the Republic of Azerbaijan
Implementing Agencies:	Civil Service Commission under the President of the Republic of Azerbaijan

Brief Description

UNDP provides support to the Civil Service Commission (CSC) since its establishment in 2005, with the long-term objective of ensuring that public services are provided to the people of Azerbaijan by a qualified and competent Civil Service in the most efficient manner. Current phase of the project continues assistance to the CSC in strengthening of the operational capacities of the Commission. The project will primarily focus on two directions: 1) strengthening the capacity of ethic commissioners in monitoring and implementation of the law on ethic conduct rules and 2) Developing competence of civil servants at central and local level for the implementation of the performance appraisal system.

Programme Period	<u>2011-2015</u>	Total resources required	US\$ 200,000
Key Result Area (Strategic Plan)	<u>Strengthening accountable and responsive governing institutions</u>	Total allocated resources:	<u>US\$ 200,000</u>
Atlas Award ID:	<u>00053053</u>	• Regular	
Start date:	<u>January 1, 2012</u>	• Other:	
End Date	<u>Dec. 31, 2012</u>	o UNDP	US\$ 100,000
		o Donor	_____
		o Donor	_____
		o Government	US\$ 100,000
		Unfunded budget:	
		In-kind Contributions	_____

Agree by (Government):

Bahram Khalilov

29.12.11

Bahram Khalilov, Chairman, Civil Service Commission under the President of the Republic of Azerbaijan

Agree by (UNDP):

N. Alhazishvili

29.12.11

Nato Alhazishvili, UNDP Resident Representative a.i.

I. Situation Analysis

Oil revenues flowing into Azerbaijan pose a risk of overwhelming the existing capacity of the public sector to manage them. In this context, one of the main challenges for the country is to ensure that the Civil Service is composed of competent, professional staff capable of managing increased resources and providing adequate services to the people of Azerbaijan. In the bid to overhaul its Civil Service, the Government of Azerbaijan adopted a Law on Civil Service in 2001, and made several amendments and additions to it since, to form the legislative framework. Under this Law, a Civil Service Commission (CSC) was established in 2005 under the auspices of the President of Azerbaijan, and started functioning in October 2006.

In the first years of its operation the Commission's activity was focused largely on introducing the principle of meritocracy and transparency into the recruitment into junior levels of civil service. The Commission centrally administers selection and computer-based recruitment examinations for about 231 state agencies. A total of eleven waves of competitive recruitment for the civil service were organized by the Civil Service Commission to date, including for local branches of state agencies in the regions (since 2007), with a total of around 1791 new civil servants appointed out of approximately 22,774 applicants. Of the successful applicants, about 20% are women.

Along with streamlining the recruitment processes, the Commission also pays attention to strengthening of the merit-based approach in the career management system, in particular through more rigorous performance evaluation. The Law on Civil Service introduces a performance appraisal system for civil servants holding administrative positions (Article 30.1). The Law provides for the annual performance appraisal of a civil servant by his/her supervisor against a set of criteria as defined in the national legislation. The Civil Service Commission has developed a set of rules on the application of the performance appraisal and, with the support of the previous UNDP project, organized a series of trainings to provide for basic awareness of civil servants on the new performance evaluation system. However, the roll-out of the performance appraisal system has not yet started.

Another presently overlooked aspect is implementation of the Law on Ethics Behaviour Rules of the Civil Servants adopted on 31 May 2007. According to this law and also special decree of President, the Civil Service Commission was mandated to monitor the overall implementation of the ethical conduct rules.

In 2011, Civil Service Commission sent a request to appoint Ethic Commissioners to all line ministries and other government institution to facilitate introduction of Ethics Rules. As indicated in the Law, each government institution should have a commissioner monitoring the ethical behaviour of civil servants. However, those commissioners do not have the necessary methodology and tools to do their job effectively. The proposed project will focus on the capacity development of those commissioners and the staff of the Civil Service Commission.

II. Strategy

While the changes that the Civil Service Commission was able to introduce within the five years of its existence are remarkable, it is critical to maintain the momentum and expand the scope of the reforms in areas other than recruitment. This conclusion was made by UNDP-commissioned independent evaluation conducted in November 2009.

An independent evaluation of the previous UNDP project, which was commissioned by UNDP and undertaken in November 2009, found that up to now, the Civil Service Commission has focused its activities on recruitment.

Taking this into account and also mindful of the importance of the implementation of the performance evaluation for career management and the ethical behaviour of civil servants the Project will focus on following objectives:

- To strengthen the capacity of the staff of CSC and staff of the HR and legal departments of the central and local government agencies, including ethic commissioners, to monitor and implement the Law on Ethical Behaviour Rules of the Civil Servants;
- To develop competence of civil servants at central and local level for the implementation of the performance appraisal system.

The support provided to the Civil Service Commission is expected to produce the following output:

Project Output 1: Capacity of Civil Service Commission under the President of Azerbaijan and civil servants from state institutions to implement the ethics code and performance appraisal system increased.

Activity Result 1. Competitive recruitment examinations organized by the Civil Service Commission and capacity of CSC staff enhanced

- Announcement of the vacant civil service positions;
- Organization of examinations and interviews of the candidates to be recruited to ministries and state agencies;
- Attendance of CSC staff members of different international events;
- Visiting countries for establishment of bilateral cooperation and receiving their representatives in Azerbaijan.

Activity Result 2. Capacity of the staff of CSC and HR and legal departments of the central and local Government agencies, including ethic commissioners to monitor and implement the Law on Ethical Behaviour Rules of the Civil Servants rules is enhanced

Activity Actions:

- Training to the civil servants at local level on ethic conduct rules is delivered by international and local experts;
- Training on Law on Ethical Behavior Rules for ethic commissioners is delivered by national experts;
- Short term study visits for a mixed group of civil servants from selected state agencies in renowned training centre or institution abroad are organized;
- Training modules on implementation of Law of Ethical Behavior and reference materials are developed for civil servants on central level;

Activity Result 3. Civil servants are trained on and have clear understanding of performance appraisal system

Activity Actions :

- The training to the civil servants at central and regional level on performance appraisal mechanism is delivered by local experts;
- The training materials and modules are developed;
- Relevant performance appraisal reference materials are developed;

Activity Result 4. Effective project oversight and management is ensured

Activities:

- Project Board is established
- Day to day management of project activities is ensured
- Communication outreach is conducted

III. RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework: UNDAF outcome 3: State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups. Country Programme 3.2: Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Indicator: 3.3.2: Share of women in civil service, by level Baseline: 2007: Administrative posts: 18%, Supplementary posts: 10% Target: Administrative posts: 30%; Supplementary posts: 50% Applicable Key Result Area (from 2008-11 Strategic Plan): Strengthening accountable and responsive governing institutions Partnership Strategy: The project will cooperate with various ministries and state agencies through the Civil Service Commission.</p>				
<p>Project title and ID (ATLAS Award ID): 00053053</p>				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Project Output: Merit-based recruitment of civil servants supported and CSC capacity has been enhanced</p>		<p><u>Activity Result 1. Competitive recruitment Examinations organized by the Civil Service Commission and capacity of CSC staff enhanced</u></p> <p><u>Activity Actions:</u></p> <ul style="list-style-type: none"> - Announcement of the vacant civil service positions; - Organization of examinations and interviews of the candidates to be recruited to ministries and state agencies; - Attendance of CSC staff members of different international events; 	<p>UNDP; CSC</p>	<p>Total 100,000 USD Contractual services – 50000 USD Travel – 44,000 USD Printing – 6000 USD</p>

		<p>- Visiting countries for establishment of bilateral cooperation and receiving their representatives in Azerbaijan.</p>	
<p>Capacity of Civil Service Commission under the President of Azerbaijan and civil servants from state institution is increased in performance appraisal and ethics conduct</p> <p>Baseline 1: Performance appraisal system was not yet introduced in any of the government institutions.</p> <p>Baseline 2: Ethics commissioners do not have the necessary methodology and tools to do their job effectively.</p> <p>Indicator 1: Number of state institutions piloted performance appraisal system</p>		<p><u>Activity Result 2. Capacity of the staff of CSC and HR and legal departments of the central and local Government agencies including ethic commissioners to monitor and implement the Law on Ethical Behaviour Rules of the Civil Servants rules is enhanced</u></p> <p><u>Activity Actions:</u></p> <ul style="list-style-type: none"> - Training to the civil servants at local level on ethic conduct rules is delivered by local experts; - Training on Law on Ethical Behavior Rules for ethic commissioners is delivered by national experts; - Short term study visits for a mixed group of civil servants from selected state 	<p>Total 44,000 USD</p> <p>National consultant \$4,000</p> <p>Travel \$14,000</p> <p>Contractual services \$ 23,000</p> <p>Printing \$ 3,000</p>

<p>Indicator 2: Number of appointed ethics commissioners received trainings on Rules of Ethics Conduct.</p>		<p>agencies in renowned training centre or institution abroad are organized;</p> <ul style="list-style-type: none"> - Training modules on implementation of Law of Ethical Behavior and reference materials are developed for civil servants on central level; <p><u>Activity Result 3. Civil servants are trained on and have clear understanding of performance appraisal system</u></p> <p>Activity Actions:</p> <ul style="list-style-type: none"> - The training to the civil servants at central and regional level on performance appraisal mechanism is delivered by local experts; - The training materials and modules are developed; - Relevant performance appraisal reference materials are developed; <p><u>Activity Result 4. Effective project oversight and management is ensured</u></p> <p>Activity Actions:</p> <ul style="list-style-type: none"> - Project Board is established - Day to day management of project activities is ensured - Communication outreach is conducted 		<p><u>TOTAL \$29,000</u> National consultant \$4,000 Travel \$10,000 Contractual services \$15,000</p> <p><u>Total \$27,000</u> Service Contracts Individuals \$ 25,000 Miscellaneous \$2,000</p>
---	--	---	--	---

Management Arrangements

National Execution (NEX). The project will be nationally executed, implemented by the Civil Service Commission that will act both as the Implementing Partner and the Beneficiary of the project. Implementation support will be provided by the UNDP Country Office (see Project Governance Arrangements below). In its capacity as implementing Partner, CSC will be responsible for overall project management. Besides, it will be responsible for the facilitation of all project activities such as international consultant missions, trainings for respective staff, ensuring appropriate access to project sites, relevant data, records, agencies and authorities. UNDP will provide support and services including procurement and contracting, human resources management and financial services in accordance with the relevant UNDP Rules and Procedures and RBM guidelines.

Project steering committee: The Project Steering Committee will be the executive decision making body for the project, providing guidance to the Project Manager, and approving project revisions. The Project Steering Committee will consist of two members:

- The Executive (Implementing Partner). This position will be held by the Chairman of the CSC;
- The Senior Supplier. This position will be held by the UNDP RR / DRR, or a designated UNDP Programme Advisor
- The Senior Beneficiary. This position will be held by a representative of the CSC.

Project Assurance: UNDP will designate a Development Advisor to provide independent project oversight and monitoring functions, to ensure that project activities are managed and milestones accomplished. The UNDP Development Advisor will be responsible for reviewing Risk, Issues logs, Annual Plan of Activities, budgets and ensuring compliance with the Monitoring and Communications Plan.

Project Support: UNDP will provide financial and administrative support to the project including procurement, contracting, travel and payments.

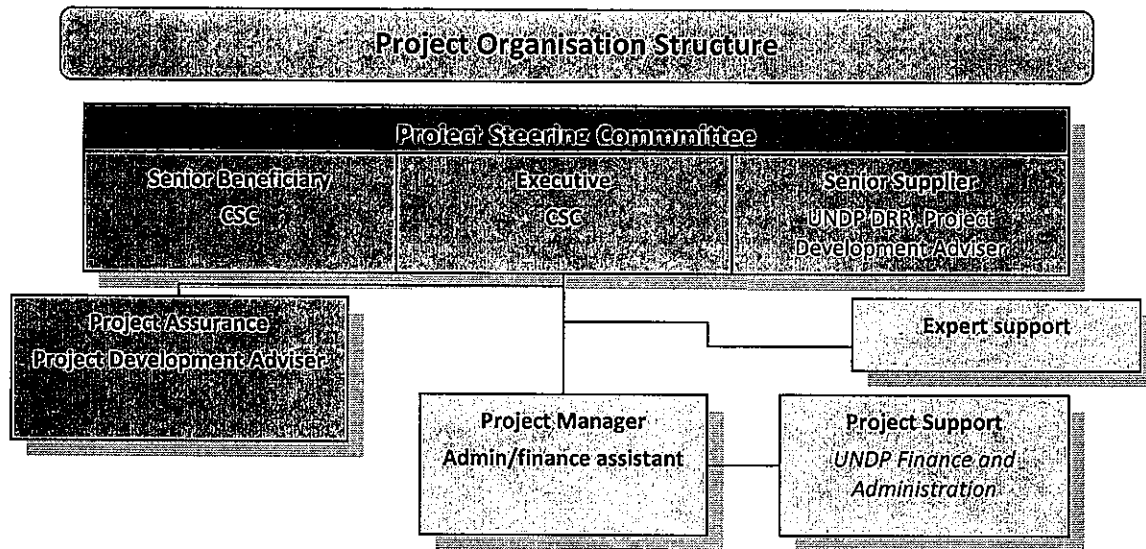
Expert support: Most of the activities will be conducted by both national and international experts. Additional experts can be hired to provide a third party assessment of the projects activities and accomplishment of project goals and outputs. In addition, they will assist UNDP and the Government in identifying strengths, weaknesses, opportunities and threats that may prejudice the goals of the project, or warrant a revision of activities, objectives or approach.

Project team composition: The project team consists of Project manager and financial/administrative project assistant. Besides, local consultants will be hired to support CSC in implementation activities.

Project Manager: The Project Manager will be tasked with the day-to-day management of project activities, as well as with financial and administrative reporting. He will be responsible for project implementation and will be guided by Annual and Quarterly Work Plans and follow the RBM standards. PM's prime responsibility is to ensure that the project produces the planned outputs by undertaking necessary activities specified in the project document to the required standard of quality and within the specified constraints of time and cost.

Project finance / administrative assistant:

The Project assistant will be responsible for reviewing the work plans and monitoring of project progress and budget implementation, in consultation with the Project Manager prepares the project objectives and action plans, provide consultancy and monitor procurement activities undertaken in the framework of the project. The project's finance and administrative staff will be responsible for day-to-day implementation of the project's financial and administrative issues, such as preparation of payment requests, due record keeping of project inventory; making of travel arrangements, etc.



Audit Arrangements: The project will be subject to internal audit as required by the UNDP rules and procedures.

Summary of inputs to be provided by partners

Government inputs:

- **\$100,000** will be contributed to the project (from CSC budget) by the Government;
- Free and functional office premises for project related activities and access to any information necessary for the project staff and consultants to complete their tasks;
- Assistance in identification of national experts;
- Assistance to UNDP in identifying the most appropriate people as focal points for provision of necessary data, access to project sites, records;
- A National Project Director (NPD) for the project who is paid by the government for the entire duration of the project;
- Administrative support for the organization of the project's training activities.

UNDP inputs:

- **\$100,000** will be contributed to the project by UNDP;
- Support services in selecting international/local training consultants and staff to be recruited under the project;
- Support services in procurement and financial management;
- Briefing for selected international and local consultants;
- Participation in the organization of training activities, selection of equipment suppliers and organization of training courses;
- Access to UNDP-managed global information systems, the network of UNDP country offices and specialized systems containing operations information, including rosters of consultants and provide of development services.
- Quality control over the project outputs.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- On a regular basis – monitoring of the project activities shall be performed by Project Manager through conducting project staff meetings, regular visits to project implementation sites, etc.
- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Steering Committee through Project Assurance, using the standard report format available in the Executive Snapshot.
- a Monitoring and Communication Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Field visits.** A representative from the UNDP office should visit the project site at least once a year. Field visits serve the purpose of results validation, especially when undertaken in the first half of the year. If undertaken in the latter part of the year, the field visit should provide latest information on progress for annual reporting preparation. Field visits should be documented through brief and action-oriented reports, submitted within the week of return to the office.
- **Annual Progress Report.** An Annual Progress Report shall be prepared by the Project Manager and shared with the Project Steering Committee. As minimum requirement, the Annual Progress Report shall consist of the Atlas standard format for the PPR covering the whole year with updated information for each above element of the PPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Steering Committee and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. Once cleared, key elements of the reports shall feed directly into the annual reporting exercise on results at the outcome level.

3 LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of (country) and UNDP, signed on (date).

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

4 ANNEXES

Annex 1: Risk Analysis: Offline Risk Log

Annex 2: Cost-sharing agreement between UNDP and Civil Service Commission of the Republic of Azerbaijan



RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures/Mgmt response	Owner	Submitted/updated by	Last Update	Status
1	Delays in operationalising the performance appraisal system may delay the implementation of the project's activities.		Operational	I = 5 P = 2	Close working relations with selected state entities are required to introduce the pilot performance appraisal system.	CSC	Programme Adviser		
2	Considering the fact that there is a number of state bodies involved in different training activities the implementation of these activities is subject to commitment and participation of civil servants.		Organizational	P = 2 I = 4	There is a need to enhance coordination between state agencies to secure commitment and participation	CSC	Programme Adviser		