



**JOINT PROJECT DOCUMENT**

**Joint Project on  
Preparation of the Demographic Study  
for Azerbaijan**

2012

**Joint Project on Preparation of the Demographic Study for Azerbaijan**



**Country: Azerbaijan**

**UNDAF Outcome 1.2:** National strategies, policies, and capacity to address regional and gender disparities in decent work opportunities are strengthened, with a focus on increasing the ability of vulnerable groups to manage and mitigate risks

**Joint Project Outcome:**

<b>Project Duration:</b> 2012-2013	<b>Total estimated budget:</b> US\$ 53,500
<b>Anticipated start/end dates:</b> 1 September 2012 – 31 March 2013	<b>Allocated recourses:</b>
<b>Fund Management Option:</b> Parallel	• UNFPA US\$ 26,750
	• UNDP US\$ 26,750

**Names and signatures of (sub) national counterparts and participating UN organizations**

UNFPA	UNDP
 <b>Dr. Zahidul Huque</b> UNFPA Representative in Turkey, Country Director for Azerbaijan, Armenia and Georgia Ankara, Turkey	 <b>Mr. Fikret Akcura</b> UN Resident Coordinator/ UNDP Resident Representative Baku, Azerbaijan

## 1. Executive Summary

*“... population issues should be integrated into the formulation, implementation, monitoring and evaluation and review of all policies and programmes relating to sustainable development, including those aiming at poverty reduction” (ICPD Programme of Action)*

*“Countries should give greater attention to the importance of population trends for development” (ICPD Programme of Action)*

Population dynamics, including growth rates, age structure, fertility and mortality, migration and more, influence every aspect of human, social and economic development.

There is now strong evidence that demographic change has a major impact on the course of economic growth. The links between demographic change and economic growth are viewed as an interacting system with feedback in both directions. For example, public health measures that increase life expectancy can lead to an increase in saving and education rates, thereby setting off economic growth. Rising incomes can lead to a reduction in fertility that may trigger a virtuous spiral of falling dependency ratios, greater investment in education, and further economic growth.

More recently, discussions about population size have given way theories suggesting population age structure and health status are key demographic determinants of economic progress.

Although Azerbaijan's population is younger than many other countries in the region, e.g. Russia and Georgia, it is already beginning to experience some demographic pressures. The median age in Azerbaijan has risen only modestly in the last 60 years: from 22.8 in 1950, to 28.4 in 2010. However, the pace of aging is projected to accelerate, with the median age reaching 40.6 by 2050. According to the UN projections, over the 1990-2050 time span the share of the 0-14 age group is expected to fall from 34% to 17%. Although the working-age population of Azerbaijan is still growing in absolute size and stabilizes by 2050, this group's share in the population is currently at its peak of 70%, and it will fall to 65% by the end of the projection period. By contrast, the population shares of the 65+ and particularly the 80+ age groups will rise significantly.

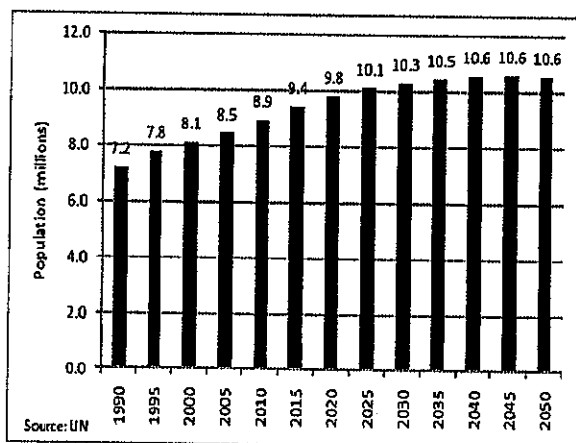
In order to better understand the implications of the demographic trends for the economic and social development of the country, as well as advise the decision-makers on how to maximize the benefits of the present demographic situation and address forthcoming challenges, The study will consider population issues in relation to health, economic growth, territorial planning and other dimensions of development. It will also look at the progress made by Azerbaijan since International Conference on Population and Development in 1994.

The results of the study will help the UN to better target their activities in support of the UNDAF Outcome 1.2 “National strategies, policies, and capacity to address regional and gender disparities in decent work opportunities are strengthened, with a focus on increasing the ability of vulnerable groups to manage and mitigate”,

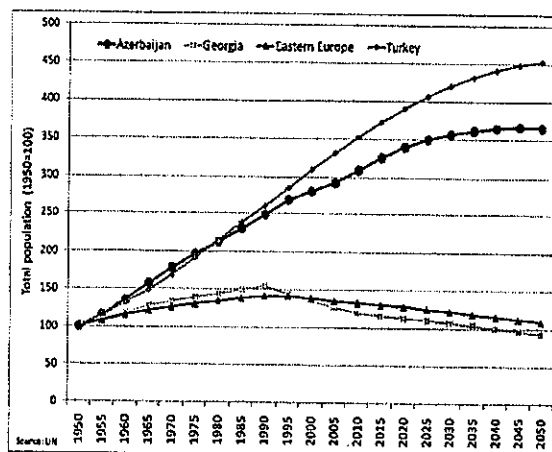
## 2. Situation Analysis

In 1990, Azerbaijan's population was 7.2 million; by 2050, it is expected to grow to 10.6 million—which represents an increase of 47% (see Figure 1) over 60 years. This is in sharp contrast to Azerbaijan's two neighbors, Russia and Georgia, whose populations are expected to shrink by 15% and 22%, respectively, over the same period. In this respect Azerbaijan is more similar to its other neighbor, Turkey, where the population is also projected to grow (see Figure 2).

**Figure 1: Total Population of Azerbaijan, 1990-2050**



**Figure 2: Population size in Azerbaijan and in the Region, 1950-2050**



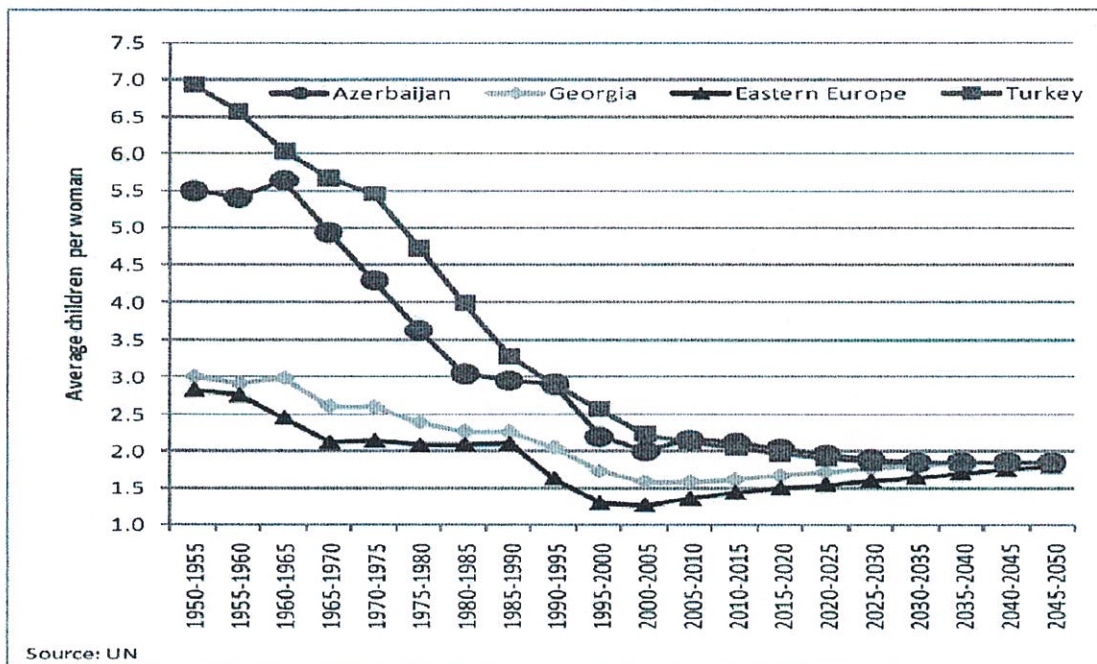
Note: "Eastern Europe" includes Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russia, Slovakia and Ukraine.

The current gender distribution of the population is almost equal. The share of women in the total population is 50.4%, the share of men is 49.6%. Approximately 52.9% lives in urban areas and 47.1% in rural areas. This is partly because even though people have moved from rural to urban areas in search of work in construction and the services sector, population growth has traditionally been higher in rural areas.

The population is growing annually by about 10 persons per 1,000. This population growth mainly is due to the natural increase, which slightly increased from 10.7 per 1,000 population in 2005 to 13.5 in 2011.

The total fertility rate was decreasing along with the birth rate until the year 2002, which was the turning-point. Starting from 2002, these indicators have tended to change slightly, increasing from 1.8 to 2.4 children per woman in 2011. Figure 3 shows that in 1950 Azerbaijan's fertility rate (5.5 children per woman) was much higher than that of in Georgia or any other Eastern European country. Albeit, it was still lower than the fertility rate in Turkey. An additional trend, yet a more recent one, in Azerbaijan is the emergence of skewed sex ratio (the number of male per female births) which currently stands at 1.16 in Azerbaijan, as compared to 1.06 in Eastern Europe, and 1.05 in the west.

Figure 3: Total Fertility Rate in Azerbaijan and in the Region, 1990-2050



Note: "Eastern Europe" includes Belarus, Bulgaria, Czech Republic, Hungary, Moldova, Poland, Romania, Russia, Slovakia and Ukraine.

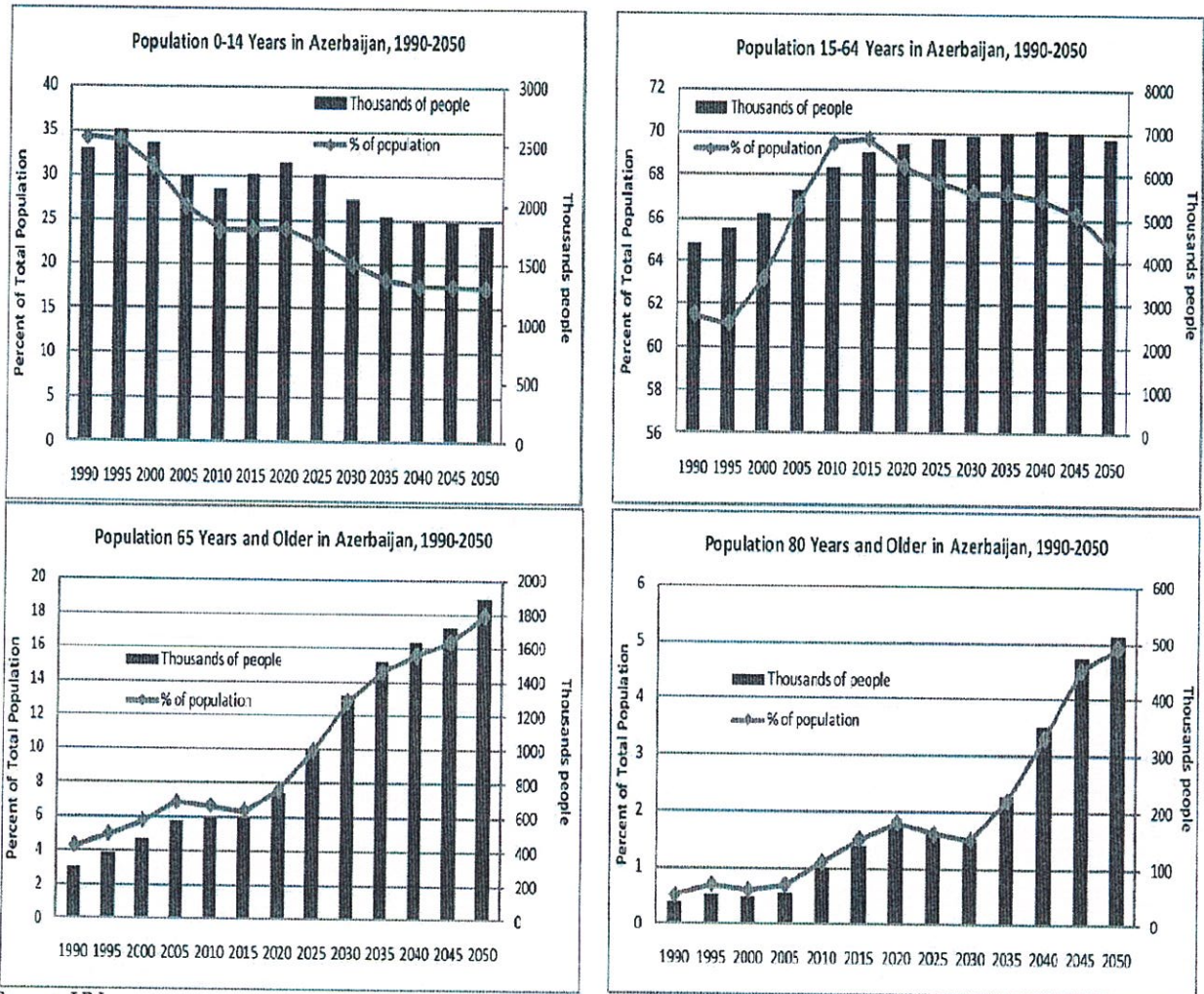
Life expectancy at birth, one of the indicators related to poverty, has risen since 1995, estimating 73.4 for both men and women in 2010 (69.1 in 1995).

Although Azerbaijan is younger than many other countries in the region, it is already beginning to experience the "graying" of its population. Most of Azerbaijan's neighbors are already affected by the consequences of demographic changes characterized by aging populations, and, in some cases, falling populations. The demographic pressures in Azerbaijan are not yet as strong. The median age in Azerbaijan has risen only modestly in the last 60 years: from 22.8 in 1950, to 28.4 in 2010. However, the pace of aging is projected to accelerate, with the median age reaching 40.6 by 2050.

Figure 4 shows the predicted evolution of four age groups between 1990 and 2050, with respect to both population count and share of the population. During this span, the population share of the 0-14 age group is expected to fall from 34% to 17%. Although the working-age population of Azerbaijan is still growing in absolute size, and is likely to stabilize by 2050, this group's share in the population is currently at its peak of 70%, and it will fall to 65% by the end of the projection period. By contrast, the population shares of the 65+ and particularly the 80+ age groups will rise significantly.



Figure 4: Evolution of population age groups in Azerbaijan, 1990-2050



Source: UN

The looming demographic changes in Azerbaijan have serious implications for growth, poverty reduction, and fiscal policies in the long-term. The rising share of elderly persons in the population will lead to increased fiscal obligations for pensions and other programs that are utilized primarily by older Azerbaijanis. This spending is necessary to prevent the impoverishment of the elderly population, who may not have any other sources of income. However, if the demographic transition is not well-managed, the rise in spending on the elderly could drain fiscal and administrative resources away from other generations, and thus damage the growth prospects for Azerbaijan's economy. The only sustainable strategy for durable poverty reduction lies in economic growth. Therefore, finding the right balance between enhancing the productivity of the young and supporting the living standards of the elderly becomes an essential objective for Azerbaijan's long-term prosperity.

The working-age population of Azerbaijan is growing, but at a slower rate than previously, and with projections showing that this growth may eventually turn negative. The labor force participation rate in Azerbaijan is 67% for men and 60% for women. These rates compare favorably with other countries in

the region. Given the favorable demographic conditions, Azerbaijan has more time than most other countries in the region to prepare for the future demographic shifts.

### 3. Strategy

**Background/context:** Going in line with the UNDAF Outcome 1.2 “National strategies, policies, and capacity to address regional and gender disparities in decent work opportunities are strengthened, with a focus on increasing the ability of vulnerable groups to manage and mitigate”, the proposed joint project aims to create synergies between the efforts being made by two UN agencies that collaborate under the UN Country Team umbrella in the Republic of Azerbaijan and intend to initiate a comprehensive demographic study for the country.

The joint UNFPA/UNDP study will focus on the analysis of the demographic trends in Azerbaijan, their impact on economic and social development and feed into formulating policy recommendations for the decision-makers on how to maximize the benefits of the demographic situation and address existing and potential challenges.

While financial support for the project will be provided by the two UN agencies, local government’s contribution will be encouraged. The Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan (MLSPP), the principal governmental body which is directly involved in the planning and development of population-related programs and policies at the country level, will be the main national counterpart during the project design and implementation. An Expert Team will be set up and comprise specialists from the State Statistics Committee, Ministry of Economic Development, Ministry of Health, and State Committee on Family, Women and Children’s Affairs.

**Justification:** Much of the learning in the field of population and development has been spurred by research examining population dynamics and movements and analyzing the linkages between them and reproductive health, human rights, gender equality and poverty, among other issues. These linkages underpin the International Conference on Population and Development (ICPD) Programme of Action that guides UNFPA-supported programmes. Building on the synergies among them will also contribute to the achievement of the Millennium Development Goals.

At the ICPD held in Cairo, Egypt, in 1994, the international community acknowledged the role of social and economic research in understanding how population change affects and, in its turn, is affected by socio-cultural, economic and environmental factors and their complex interactions. The Conference called upon governments and funding agencies to support a wide range of research that could inform public policy and improve programming strategies.

Over the last decade, the government of the Republic of Azerbaijan has been demonstrating the growing attention to population-related issues in the country. The Ministry of Labour and Social Protection of Population demonstrates a shared and committed leadership to advancing the ICPD agenda in the country by aligning its principles with national policies and programmes in the area of demography and population development, such as the State Programme on Demography and Population Development (2004-2010), State Programme on Strengthening the Social Protection of Elderly (2006-2010), etc.

#### **4. Results Framework**

**Output 1:** A large-scale demographic study for Azerbaijan successfully held

##### **Activity 1: Conducting a large-scale demographic study for Azerbaijan**

The study will include a comprehensive analysis of the demographic situation in the country; a detailed assessment of impact of population on economic development and vice versa; analysis of demographic trends for in the context of urbanization and territorial development; and review of Azerbaijan's progress on implementation of the ICPD Programme of Action's principles.

##### **Activity 1.1: Hiring an International Consultant**

The expert team comprised of both national and international consultants/professionals will be set up to lead the survey.

An International Expert will lead in managing the workload of scoping the study, analysis and the report preparation. He/she will guide the work of national consultants and write the main body of the report including the required statistical annexes.

##### **Activity 1.2: Engaging five national experts**

##### **Activity 1.3: Translation and Printing**

The demographic study will be translated into Azerbaijani language. Publication of the final report, both in English and Azerbaijani languages, will be ensured by the project team.

##### **Activity 1.4: Official launching of the 'Demographic Study for Azerbaijan' final report**

The official launch of the final report on Demographic Study for Azerbaijan will be held with participation of UN agencies, government counterparts, national and international partners, research institutions, etc.

The International Expert will facilitate a final seminar aimed to: (i) summarize the demographic situation in the country; (ii) report to the audience on the results and findings of the study; (iii) distribute the final report, and (iv) generate media coverage

**Output 2:** ICPD Beyond 2014 Operational Review successfully conducted

##### **Activity 2: Addressing the ICPD Beyond 2014 Questionnaire**

The International Expert will provide advisory and coordination services, ensuring high quality, accuracy and consistency of work in relation to the ICPD Beyond 2014 Operational Review at the country level. While facilitating the final seminar, the expert will present and discuss the ICPD Beyond 2014 Questionnaire.

The questionnaire for the Global Survey is a core element of the review on the implementation of the ICPD Programme of Action mandated by the General Assembly Resolution 65/234. It will be carried out in all countries to gather information on the implementation of key elements of the Programme of Action,



focusing on progress made so far, the identification of facilitating factors, the gaps and constraints limiting implementation, and emerging issues that require attention. In order to ensure the "highest quality data and analysis" requested in GA Resolution 65/234, the survey is based on a common methodology that ensures comparability of results across countries.

## **5. Management and Coordination Arrangements**

A Steering Committee (SC) will be established at the beginning of implementation as the principal decision-making body for the joint initiative. It will meet minimum twice during the project implementation period to monitor the progress of the study, guide its implementation and support the action otherwise in achieving its listed outputs. The SC will be composed of the representatives from UNFPA and UNDP. Other stakeholders can be invited to the SC meetings, subject to the SC's decision.

Day-to-day management of the action will be carried out by the staff members of both UN Agencies who are qualified and experienced in the subject matter. Local and international consultants will be hired as needed. The Ministry of Labor and Social Protection, being the key governmental counterpart, will be actively involved in the joint project implementation process.

## **6. Fund Management Arrangements**

Since the interventions of participating UN Agencies are aimed at common results, but with different national and sub-national partners, the joint project will use the **parallel** option whereby each Participating UN Agency manages its own activities and its respective budget within the common work plan.

The management of the joint project will fully comply with the Guidance Note on Joint Programming issued by the UN Development Group.

## **7. Monitoring and Reporting**

The monitoring of the programme will be conducted in accordance with the established UNDP/UNFPA guidelines and procedures. Periodic monitoring of implementation progress will be conducted by the Steering Committee (described above) and ad hoc meetings will be organized by UNDP and UNFPA as deemed necessary. This will allow parties to take stock and troubleshoot any emerging problems in a timely fashion to ensure the smooth project implementation.

Reporting shall be facilitated by the following actions:

- Preparation of an Inception Report which contains a draft work plan with a summary of the primary information needs, the methodology to be used, and outline of the final report;
- Review of the draft report;
- Review of the survey *ICPD Beyond 2014: Operational Review, and*
- Presentation of the Final Report at a national workshop to be held in Baku
- Presentation of the main findings of the study at a national workshop in Baku
- Completed Survey "ICPD beyond 2014: Operational Review"

## 8. Legal Context or Basis of Relationship

All activities carried out under this Joint Programme are in accordance with the applicable basic and other agreements.

Participating UN organization	Agreement
<b>UNFPA:</b>	<p>The relationship between the Government of Azerbaijan and the United Nations Population Fund (UNFPA) is governed by the Standard Basic Assistance Agreement (SBAA) signed by Government and the United Nations Development Programme (UNDP) on 6 January 2001, which, <i>mutatis mutandis</i>, also holds true for UNFPA.</p> <p>In addition, the UNFPA 2011-2015 Country Programme Action Plan (CPAP) shall be a legal instrument in the context of this Joint Programme Document.</p>
<b>UNDP:</b>	<p>The Joint Project Document shall be instrument referred to as the Project Document in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government and the United Nations Development Programme signed by the parties on 6 January 2001.</p>

## 8. Work Plan and Budget

Expected JP Outputs	Key Activities	Timeframe						Responsible Party	Planned Budget (in USD)
		M1	M2	M3	M4	M5	M6		
Output 1: A large-scale demographic study for Azerbaijan successfully held	Activity 1. Conducting a large-scale demographic study for Azerbaijan: Activity 1.1 International Consultant hired	X	X	X	X	X	X	<b>Consultancy fee - \$ 21,500</b> UNFPA-\$10,750 UNDP - \$10,750 <b>Travel fee - \$ 7,000</b> UNFPA-\$3,500 UNDP - \$3,500	
			X	X	X	X	X		<b>\$10,000</b> (\$2,000 per each expert) UNFPA-\$5,000 UNDP-\$5,000
	Activity 1.3: Translation and Printing					X	X	<b>\$2,000</b> UNFPA-\$1,000 UNDP-\$1,000	
	Activity 1.4: Official launching of the final report on Demographic Study for Azerbaijan						X	<b>\$3,000</b> UNFPA-\$1,500 UNDP-\$1,500	
Output 2: ICPD Beyond 2014 Operational Review successfully conducted	Activity 2. Addressing the ICPD Beyond 2014 Questionnaire	X	X	X				<b>\$ 53,500</b>	

