United Nations Development Programme
Country: The Republic of Azerbaijan
Project Document

Project Title	Modernization of Sustainability and Efficiency of ICT infrastructure and ICT services in the Republic of Azerbaijan
UNDAF Outcome(s):	The State strengthens the system of governance together with the involvement of civil society and in compliance with its international commitments, with particular emphasis on vulnerable groups.
Expected CP Outcome(s): *(Those linked to the project and extracted from the CP)*	Efficiency, accountability and transparency within public administration are enhanced through capacity development of State Entities, including gender sensitive approaches.
Expected Output(s): *(Those that will result from the project)*	1. National ICT Strategy for 2013-2020 is developed; 2. AzDataCom is further expanded and upgraded; 3. Public Private Partnership Specialist Centre on ICT/Broadband is established; 4. National capacities to exploit the application of ICT's to engage citizens in e-participation have increased; 5. Awareness and basic capacities for improved access to information and government data have increased; 6. Operational framework for the EurACA is developed.
Implementing Agency:	Ministry of Communications and Information Technologies of the Republic of Azerbaijan
Implementing Partner:	United Nations Development Programme

Brief Description

The Project will assist the Government of Azerbaijan to extend the reach the Information and Communication Technologies with a view to increase efficiency of the public sector institutions, maximize socio-economic impact of ICTs on businesses and people, and to maintain multi-stakeholder dialogue about bridging the digital divide at the regional level. To achieve this complex objective, the project will pursue multiple partnerships with international organizations (UNDESA, UNECE, UNPAN and others), national and local authorities in Azerbaijan, civil society, business circles and bilateral partners. The project will have 6 components: 1) development of National ICT Strategy (2013-2020); 2) expansion and upgrade of AzDataCom network; 3) establishment of Public Private Partnership Specialist Centre on ICT/Broadband; 4) building of national capacities for e-participation; 5) awareness raising on Open Government data; and 6) establishment of operational framework for EurACA.

Programme Period:	2011-2015	Total resources required:		10.450.000 USD
		Total allocated resources:		10.450.000 USD
Key Result Area (Strategic Plan)	Fostering Democratic Governance	• Regular		
		• Other:		
Atlas Award ID:	_____		○ UNDP	450.000 USD
			○ Government	10.000.000 USD
Start date:	08.07.2013			
End Date	31.12.2016	Unfunded budget:		n/a
PAC Meeting Date				
		In-kind Contributions		n/a
Management Arrangements	NEX with support services			

Agreed by Government: Mr. Ali Abbasov, Minister of Communications and Information Technologies

Agreed by (UNDP): Mr. Antonius Broek, UNDP Resident Representative

I. Situation Analysis

Development and growth in the modern age is directly associated with the application of Information and Communication Technologies (ICT). At present, the level of application of ICT is among the main indicators of intellectual and scientific potential, transparency in the public administration, solution of social and economic problems. ICTs are playing an increasingly important role in the achievement of Millennium Development Goals as a powerful tool to fight poverty, empower women, increase the education level, and improve environmental management.

Government of Azerbaijan pays special attention to the development of information technologies. Azerbaijan's National ICT Strategy (2003-2012) has promoted a widening use of ICT tools to raise efficiency and transparency in the public sector, and recognizes innovation as one of the underlying principles for ICT application. Azerbaijan is also well-known regionally and internationally for its promotion of information society as a national development priority. The country hosted 7th Internet Governance Forum in 2012 and declared 2013 the Year of Information and Communications Technologies.

Concerted national efforts invested by the Government of Azerbaijan have enabled the country to become one of the best performers among the CIS countries (2012 Global Technology Report, World Economic Forum). The ICT sector grew twice in size on average span of every 3 years covering the period of 2004-2013. The Republic of Azerbaijan is a leader among CIS countries for the density of Internet users during the last three years. In 2012 this figure increased from 65 % to 70%. Likewise, the quality of internet services as well as external internet connectivity increased by 2.2 times in 2012 and prices reduced by approximately 35% compared to 2011 (Source: World Economic Forum).

As Figure 1 illustrates, Azerbaijan has caught up and, in a few instances, surpassed the Upper Middle Income Countries average, already moving close to the high-income country values. It is imperative that Azerbaijan builds upon this momentum by making it more sustainable through development of a comprehensive ICT strategy, a broader access through country-wide ICT infrastructure, promotion of ICT integration in business, and greater use of ICTs for social and economic impact.

This project will contribute to the improvements of above listed dimensions of ICT environment by supporting the Government in pursuing the following goals:

1) Develop a comprehensive **national ICT strategy;**
2) Enhance country-wide ICT infrastructure through **expansion and modernization of AzDATACOM network;**
3) Promote ICT integration in business through establishment of **Public Private Partnership Specialist Centre on ICT Use;**
4) Maximize use of ICTs for greater social and economic impact at the national and regional levels by expanding citizens' opportunities for **e-participation,** giving access to **Open Government Data** and initiating **Eurasian Connectivity Alliance** to bridge the 'digital divide'.
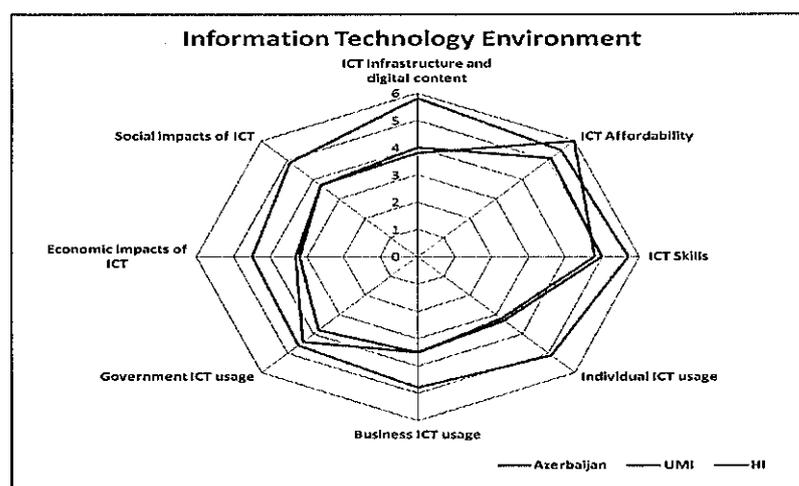

Figure 1.A comparison of eight indicators of information and communications technology for Azerbaijan, Upper Middle-Income Countries and High-Income Countries (2010/2011) based on data from Global Information Technology Report 2012 by World Economic Forum.

UNDP is a natural partner for this complex project for the following reasons. UNDP Azerbaijan has a well-deserved reputation as a long-time supporter of a number of ICT-for-Development (ICT4D) projects in Azerbaijan. It has assisted the government to prepare the first National ICT Strategy, establish AzDataCom network, and automate business processes in the Pension Fund, Ministry of Justice, Civil Service Commission and State Customs Committee. Globally, UNDP has access to a large pool of international expertise and best practices in ICT4D.
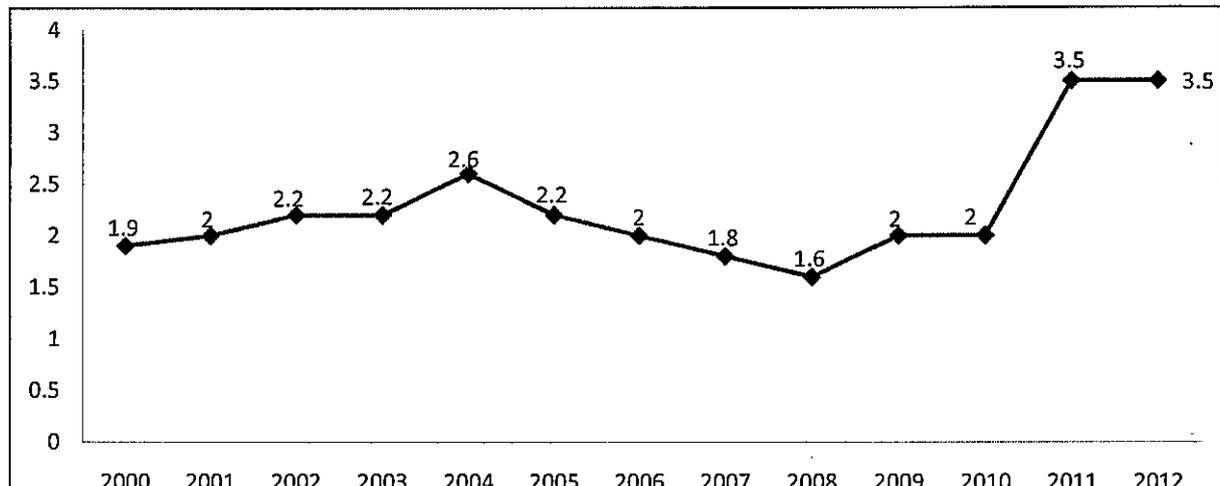
The Project contributes to the achievement of the objectives set out in the United Nations Development Assistance Framework (UNDAF) for Azerbaijan and will be implemented within the UNDP Country Program for Azerbaijan for the period 2011-2015. The project falls within the CPD Outcome 1.2 "Efficiency, accountability and transparency within public administration are enhanced through capacity development of State Entities, including gender sensitive approaches."

The project will have six components:

1. Development of the New National ICT Strategy

While benefitting from oil and gas generated revenues, Azerbaijan is investing efforts to diversify the economy and develop non-energy sectors, with particular emphasis on the role of Information and Communications Technologies (ICTs) and their use in government, business and society as an engine of growth and development. As can be seen from the graph below, the share of the ICT sector in the GDP of Azerbaijan has been steadily increasing from 1.9% in 2000 to 3.5% in 2012. H.E. President Ilham Aliyev considers the creation of Information Society as the second most important sector for sustainable development of Azerbaijan after the petroleum sector. ICT is also among the priorities of the long-term national development strategy Azerbaijan Vision 2020 adopted at the end of 2012.

The roadmap towards this goal was embodied in the first "National Information and Communication Technologies Strategy for the development of the Republic of Azerbaijan (2003-2012)" prepared with support of UNDP. Considering the accelerating pace of ICT advancement nationally and globally and expiry of the first strategy, it is imperative to design a new set of policy actions that will resonate with the Azerbaijan Vision 2020 and assure that Azerbaijan further strengthens its leading position in the ICT domain.
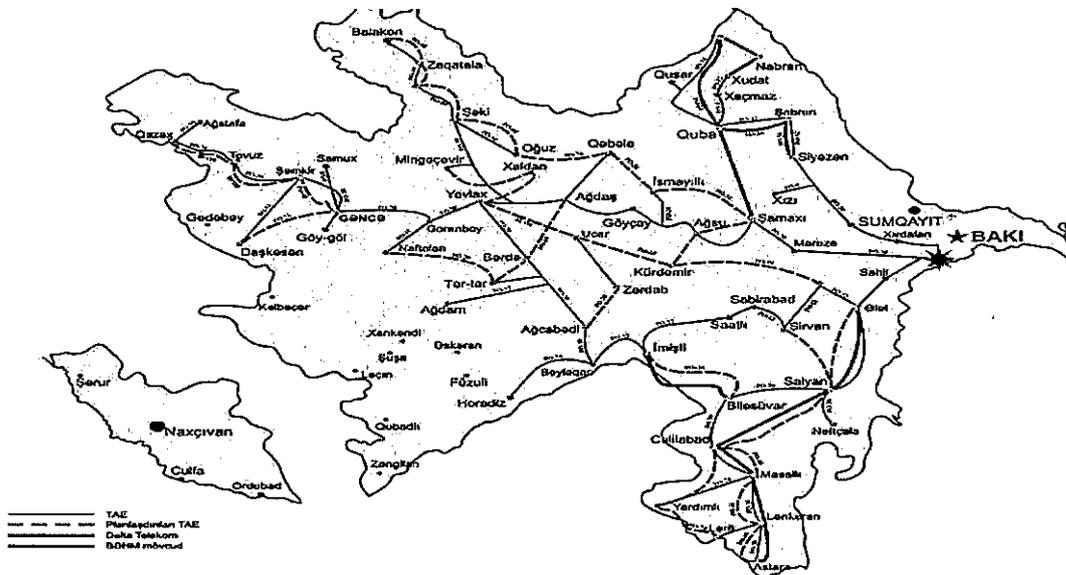
To support this aspiration, the project will assist in developing a new National ICT Strategy (2013-2020) through the following set of activities:

- Undertake stocktaking of the progress in application of ICT tools for development;
- Analyze key factors of success of the more advanced countries - best performers against the international ICT indices;
- Carry out sub-national situational analysis to identify the key bottlenecks for greater use of ICTS in regions of Azerbaijan;
- Prepare draft National ICT strategy and present it to the Ministry for further submission to Government's approval.

2. Expansion and Modernization of AzDataCom network

The first stage in establishing a nation-wide broadband network– AzDataCom – took place in 2005 - 2011 within the framework of the joint Ministry of Information and Communication Technologies and UNDP project. AzDATACOM is a fibre optic network that spans for several hundred kilometres and embraces Baku, and connecting Baku to Ganja and all regional centres of the country with the high speed internet of 10Gbs. The AzDataCom presently has more than 8,000 clients.

At this stage, the network will be further expanded from regional centres to remote areas including villages, providing broadband Internet connection to 3 million people. Upon completion of the project, the entire territory of Azerbaijan will be covered by high-speed Internet connection.

The project component will be realizing through the following activities:

- Conduct situational analysis, including infrastructural needs, in the regions and remote villages where the Broadband Internet Services are intended to be established and produce needs assessment report for consideration of the Ministry;
- Based on the needs assessment, develop technical specifications for procurement of equipment for establishing the Broadband Internet Services;
- Install equipment, operationalize and commission the AzDataCom network;
- Conduct awareness raising for population, especially in rural areas, on the individual use of ICTs tools;
- Within AzDataCom network, create a special network as an alternative to the synchronous digital hierarchy (SDH) network used in transmission of telephone traffic in the provinces of the country;
- Install a new international gateway, as well as billing and traffic systems based on the best practices of leading countries in the world.

3. Public Private Partnership Specialist Centre on ICT/Broadband

To promote greater business involvement in the ICT sector, the Government of Azerbaijan has formally submitted to the UNECE an Expression of Interest to host the PPP Specialist Centre on ICT in Baku. The PPP Centre on ICT will be part of the UNECE – initiated network of Centres of Excellence that perform the following key functions:

- Conduct research within the sector;
- Develop and disseminate PPP best practice in the sector;
- Develop sector specific capability development strategies for governments;
- Provide specialised training in PPP.

This component of the project will help to formalize the relationship with the UNECE on the establishment of the PPP Specialist Centre on ICT/Broadband and develop institutional framework for the operationalization of the Centre. Following activities are envisaged under this component:

- Develop and sign the Memorandum of Understanding (MoU) and supporting documents between the UNECE and MoCIT on establishing the PPP Centre on ICT;
- Undertake stakeholder analysis and explore interest of various institutions and companies to support the establishment and operationalization of the PPP Specialist Centre on ICT;
- Develop the legislative and operational base for the functioning of the PPP Specialist Centre on ICT;
- Elaborate directions of work and formulate an action plan for the functioning of the Centre;
- On the platform of the Centre, deliver TOT trainings on ICT and information security for lead national experts, which will be followed by the trainings for civil servants, civil society and business groups;
- Organize and host conferences, symposiums, seminars, working groups, and other relevant events to promote PPP in the ICT sector.

4. Developing framework for e-participation: engaging citizens in policy and decision-making processes through ICTs

Broad public participation is recognized as a "fundamental prerequisite for the achievement of sustainable development"[1]. Over the past few years Azerbaijan has made a breakthrough in terms of building strong online service delivery platforms and has matured for a new stage of e-governance – introduce ICT tools to engage its citizens in policy and decision-making processes.

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[1] "The Future We Want", Outcome Document of Rio+20, United Nations Conference on Sustainable Development

This project component aims to develop the capacity of the participating government institutions to exploit the application of ICT's to engage citizens in e-participation for development ends.

This project component will support development of national capacities for e-participation through the following activities to be implemented in partnership with UNDESA:

- Develop concept note on introduction of e-participation (e-information, e-consulting and e-decision-making) in Azerbaijan, with the help of experts from the UN system (UNDESA, UNPAN etc.)
- Develop and submit the National Action Plan on e-Participation (for 2015-2016) to the Government;
- Build national capacities in e-participation through exposure to international experience of the more advanced countries (Switzerland, Kenya, Georgia, Russia, Indonesia, Czech Republic) and participation at high-level inter-regional e-participation seminars and trainings;
- Organize seminars and trainings on e-participation for local authorities, business and civil society in regions of Azerbaijan (Gabala, Guba, Lankaran, Ganja, Barda, Shirvan).

5. Open Government Data

There is a growing consensus around the idea that government should be transparent, accountable and open to citizen engagement – particularly in achieving development goals. This concept is often referred to as "Open Government" with three core elements of transparency, participation and collaboration with businesses and citizens. One of the critical aspects of this concept is that of a government that proactively opens up its information to the public. Open Data plays a key role in Open Government, both as an enabler and a as a pre-condition.

In 2012 the Government of Azerbaijan joined the Open Government Partnership (OGP) initiative with a view to improve its activities aimed at increasing transparency and promoting Open government; to exchange the international experience; and to contribute to the international efforts in this domain. Azerbaijan has adopted a OGP National Action Plan 2012 -2015 that, inter alia, contains important measures to facilitate access to information and government data.

This project component will support the Government in awareness raising and capacity building for improved access to information and government data. Following activities are envisaged under this component:

- Conduct evaluation of the existing situation with Open Government Data and propose recommendations/policy actions to enhance population's access to government data;
- Raise awareness of the government, civil society and other stakeholders on the OGP initiative;
- Deliver trainings for civil servants on freedom of information and access to data.

6. Eurasian Connectivity Alliance (EurACA)

There are currently two information superhighways in the world. The first one covers Western Europe and North America, and the second one covers Japan, Korea, China, Singapore, New Zealand, Malaysia and Australia. Most of the Eastern European and Central Asian countries were left behind and face the risk of becoming part of a "digital divide". Many of their citizens do not have access to the internet on favourable terms and quality compared to developed information societies of the world. Consumers and businesses pay substantially higher prices for connectivity. Undersupply of international connectivity and resulting low broadband penetration levels in the region lead to a risk of "isolation" from the connected world of today. The long term risk of this continuing imbalance for Eurasian countries is the potential to miss opportunities for social and economic development.

The Ministry of Communications and Information Technologies (MoCIT) spearheads an initiative among Eastern European and Central Asian countries to jointly plan, build and manage a "Trans-Eurasian Information Super Highway" covering over 20 countries of Eastern Europe and Central Asia. The initiative has received broad-based support, as demonstrated by the UN General Assembly Resolution (A/Res/64/186) "Building connectivity through Trans-Eurasian Information Super Highway" adopted in 2009. The political commitment to this project was renewed in 2012 when the UN General Assembly adopted yet another Resolution A/Res/67/194 in support for the "Trans-Eurasian Information Super Highway" project.

For the purpose of promoting and coordinating the "Trans-Eurasian Information Super Highway" project, it is proposed to establish the Eurasian Connectivity Alliance (EurACA) that will, inter alia, perform the functions of the Steering Body for the Super Highway Project and will provide a forum for policy discussions and agreed actions for the governments, private sector, civil society from the region, as well as international development institutions interested in supporting the initiative.

This project component will support development of institutional framework, funding and partnership arrangements for the EurACA. Following activities are envisaged under this component:

- Develop legislative framework for EurACA including Statute, Charter, Organizational Structure and Activity Platform, with the help of UN-associated experts;
- Mobilize broad-based political support from international organizations, like UN, ITU, UNESCAP, UNDESA, for the establishment of the EurACA;
- Establish a mechanism for on-going dialogue and cooperation with the countries that supported the UNGA Resolutions on the Trans-Eurasian Information Super Highway;
- Undertake feasibility study of the financial aspects of the EurACA and submit proposals to the Government of Azerbaijan;
- Undertake analysis of potential stakeholders in the EurACA initiative and explore their interest to participate in the EurACA.

III. Results and Resources Framework

Intended Outcome as stated in the Country Program Results and Resource Framework: Efficiency, accountability and transparency within public administration are 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:Indicator: 3.2.1 The number of information technology innovations implemented contributing to increased transparency in public administration
Baseline: 2009: 2

Applicable Key Result Area (from 2008-13 UNDP Strategic Plan):
Goal 2: Fostering democratic governance

Partnership Strategy:

Implementing Partner: Ministry of Communications and Information Technologies (MoCIT)

Responsible parties: UNDP, Ministry of Communications and Information Technologies (MoCIT)

Other partners: UNECE, UNDESA, relevant national and local authorities

Project title and ID (ATLAS Award ID): Extending Reach of ICT Sector for National and Regional Development (Phase 3 of NICTS – 2 Project)

INTENDED OUTPUTS	OUTPUT TARGETS FOR 2012-2013	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1. National ICT Strategy for 2013 - 2020 is developed				$
Baseline 1.1 First National ICT Strategy was developed in 2003 and expired in 2012 **Indicator 1.1:** There is a new national ICT strategy in place – yes/no	**Targets 1.1 (2013-2014)** Develop a long-term Strategy and Action Plan for ICT development in Azerbaijan	**Activity Result 1.1** Draft National ICT strategy is prepared. **Actions:** • Undertake stocktaking of the progress in application of ICT tools for development; • Analyze key factors of success of the more advanced countries - best performers against the international ICT indices; • Carry out sub-national situational analysis to identify the key bottlenecks for greater use of ICTS in regions of Azerbaijan; • Prepare draft National ICT strategy **Activity Result 1.2** Draft strategy is finalised. **Actions:** • Organize broad-base consultative process over the draft strategy • Incorporate comments/feedback, prepare final draft and present it to the Ministry for further submission	*MoCIT, UNDP*	• Contracts • Travel • Miscellaneous *MoCIT: 150.000 USD* *UNDP: 50.000 USD* *Total: 200.000 USD*

Output 2. AzDataCom is further expanded and upgraded

Baseline / Indicator / Target	Activity Results		
Baseline 2.1 a) AzDataCom covers Baku and 58 districts of Azerbaijan; b) AzDataCom acts only as internet provider. **Indicator 2.1** a) Number of new settlements covered by AzDataCom; b) Number of new functionalities of AzDataCom.	**Target 2.1** a) Extend AzDataCom to cover at least 150 new settlements; b) Upgrade the AzDataCom with at least four new functionalities (special network for telephone traffic, international gateway, billing and traffic systems).	**Activity Result 2.1** AzDataCom is expanded to remote areas. **Actions:** • Conduct situational analysis, including infrastructural needs, in the target regions including remote villages to be reached by broadband internet and produce needs assessment report for consideration of the Ministry; • Based on the needs assessment, develop technical specifications for procurement of equipment to expand the AzDataCom network; • Install equipment, operationalize and commission the AzDataCom network; • Training for managers and operators in the field; • Conduct awareness raising for population, especially in rural areas, on the individual use of ICTs tools. **Activity Result 2.2** AzDataCom is modernized to provide new services. **Actions:** • Organize procurement process for the upgrade of the AzDataCom • Install necessary equipment and test; • Fine-tune and commission the upgraded system.	*MoCIT, UNDP*	• Contracts • Trainings • Travel • Equipment • Miscellaneous *MoCIT: 6.000.000 USD* *UNDP: 35.000 USD* *Total: 6.035.000 USD*

Output 3. Public Private Partnership Specialist Centre on ICT/Broadband is established

Baseline / Indicator	Target	Activity Result		
Baseline 3.1 There is no systemic approach to Public Private Partnership in the ICT sector. **Indicator 3.1** a) PPP Centre is established and	**Target 3.1** The PPP Centre on ICT has legal framework, action plan and generates at least 5 ideas/initiatives on cooperation with private sector.	**Activity Result 3.1** The PPP Centre is established and operationalized. **Actions:** • Develop and sign the Memorandum	*MoCIT, UNDP*	• Contracts • Trainings • Travel • Equipment • Miscellaneous

(to Government's approval)

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functions according to the work plan – yes/no

b) Number of ICT initiatives/ projects in partnership with private sector

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of Understanding (MoU) and supporting documents between the UNECE and MoCIT on establishing the PPP Centre on ICT;
- Undertake stakeholder analysis and explore interest of various institutions and companies to support the establishment and operationalization of the PPP Specialist Centre on ICT;
- Develop the legislative and operational base for the functioning of the PPP Specialist Centre on ICT;
- Elaborate directions of work and formulate an action plan for the functioning of the Centre;
- On the platform of the Centre, deliver TOT trainings on ICT and information security for lead national experts, which to be followed by the trainings for civil servants, civil society and business groups;
- Organize and host conferences, symposiums, seminars, working groups discussions, and other relevant events to generate ideas promoting PPP in the ICT sector.

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MoCIT: 500.000 USD

UNDP: 35.000 USD

Total: 535.000 USD

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Output 4. National capacities to exploit the application of ICT's to engage citizens in e-participation have increased

Baseline 4.1	Target 4.1	Activity Result 4.1	MoCIT, UNDP	
There is a good national capacity for e-services but capacities for e-participation are limited.	Develop national framework for e-participation and build basic e-participation knowledge among at least 150 people	E-participation concept note and action plan are developed, and training delivered in 6 regions of Azerbaijan. **Actions:** • Develop concept note on introduction of e-participation (e-information, e-consulting and e-decision-making) in Azerbaijan; • Develop and submit the National Action Plan on e-Participation (for 2015-2016) to the Government; • Train a pool of national experts in e-participation through exposure to international experience and participation at high-level inter-regional e-participation seminars	• Contracts • Trainings • Travel • Equipment • Miscellaneous	*MoCIT: 900.000 USD* *UNDP: 35.000 USD* *Total: 935.000 USD*
Indicator 4.1 a) National Action Plan on e-participation is developed – yes/no b) Number of government officials and citizens reached by the e-participation trainings				

		and trainings; • Organize cascading trainings on e-participation for local authorities, business and civil society in regions of Azerbaijan (Gabala, Guba, Lankaran, Ganja, Barda, Shirvan).		

Output 5. Awareness and basic capacities for improved access to information and government data have increased

Baseline / Indicator	Target	Activity Result / Actions	Responsible	Inputs
Baseline 5.1 Azerbaijan has joined Open Government Partnership (OGP) initiative and adopted National Action Plan on OGP. **Indicator 5.1** a) Inputs for roadmap for better access for better access to government data available – yes/no; b) Number of civil servants and general population reached by awareness campaign and trainings.	**Target 5.1** a) Undertake needs assessment and develop a set of policy actions to enhance access to OPG; b) Train at least 100 people in OPG related issues	**Activity Result 5.1** Needs assessment report is produced and awareness on OPG raised. **Actions:** • Conduct evaluation of the existing situation with Open Government Data and propose recommendations/policy actions to enhance population's access to government data; • Organize awareness raising campaign on the OGP initiative reaching out to the government, civil society and other stakeholders; • Deliver trainings for civil servants on freedom of information and access to data; • Establish OPG website.	*MoCIT, UNDP*	• Contracts • Trainings • Consultancy • Travel • Miscellaneous *MoCIT: 850.000 USD* *UNDP: 35.000 USD* *Total: 885.000 USD*

Output 6. Operational framework for the EurACA is developed

Baseline / Indicator	Target	Activity Result / Actions	Responsible	Inputs
Baseline 6.1 Two UN General Assembly Resolutions on TASIM were adopted. **Indicator 6.1** Framework documents are prepared- yes/no	**Target 6.1** Develop institutional framework, funding and partnership arrangements for the EurACA.	**Activity Result 6.1** Legislative framework for the EurACA is established **Actions:** • Organize procurement process for consultancy to develop legislative framework for EurACA including Statute, Charter, Organizational Structure and Activity Platform; • Prepare draft documents; • Present the drafts to the Government of Azerbaijan. **Activity Result 6.2** Funding arrangements are explored and options elaborated.	*MoCIT, UNDP*	• Contracts • Trainings • Travel • Equipment • Miscellaneous *MoCIT: 1.400.000 USD* *UNDP: 35.000 USD* *Total: 1.435.000 USD*

Actions:

- Organize procurement process for consultancy to undertake feasibility study of the financial aspects of the EurACA;
- Carry out feasibility study;
- Present the results of study to the Government of Azerbaijan;

Activity 6.3

Mechanism for multi-stakeholder participation are explored.

Actions:

- Undertake analysis of potential stakeholders in the EurACA initiative and explore their interest to participate in the EurACA;
- Mobilize broad-based political support from international organizations, like UN, ITU, UNESCAP, UNDESA, for the establishment of the EurACA;
- Establish a mechanism for on-going dialogue and cooperation with the countries that supported the UNGA Resolutions on the Trans-Eurasian Information Super Highway.

Output 7: Project Management			
Baseline 7.1 Project document developed. **Indicator 7.1** Level of accomplishment of annual project targets, as per the IWP	**Target 7.1** At least 80% of annual project targets are achieved. **Activity Result 7.1** Project is managed according to the work plan and produces deliverables within allocated resources and timeframe **Actions:** - Establish project management unit; - Ensure on-going project management, monitoring and reporting.	*MoCIT, UNDP*	• Contracts • Trainings • Travel • Miscellaneous *MoCIT: 200,000 USD* *UNDP: 225,000 USD* *Total: 425,000 USD*
Grand Total:			10,450,000

Year: 2013-2016

EXPECTED OUTPUTS *And baseline, indicators including annual targets*	PLANNED ACTIVITIES *List activity results and associated actions*	Y1	Y2	Y3	Y4	RESPONSIBLE PARTY	Funding Source	Budget Description	Amount, USD
Output 1. National ICT Strategy for 2013 - 2020 is developed.	Activity 1.1 & Activity 1.2	x	x	x	x	MoCIT UNDP	GOV	71300 - Local consultants	42.500
							UNDP	71300 - Local consultants	10.000
							GOV	71200 - International experts	40.000
							UNDP	71200 - International experts	25.000
Baseline 1.1							GOV	71600 - Travel costs	40.000
First National ICT Strategy was developed in 2003 and expired in 2012							UNDP	71600 - Travel costs	10.000
							GOV	75100 - General Management Support	7.500
Indicator 1.1:							GOV	74500 - Miscellaneous	20.000
There is a new national ICT strategy in place – yes/no							UNDP	74500 - Miscellaneous	5.000
Output 2. AzDataCom is further expanded and upgraded.	Activity 2.1 & Activity 2.2	x	x	x	x	MoCIT UNDP	GOV	72100 - Contractual services- Companies	160.000
							GOV	71300 - Local consultants	80.000
							UNDP	71300 - Local consultants	5.000
Baseline:							GOV	71200 - International experts	140.000
a) AzDataCom covers Baku and 58 regional centres of Azerbaijan;							UNDP	71200 - International experts	5.000
b) AzDataCom acts only as internet provider.							GOV	72200 - Equipment and furniture	115.000
							UNDP	72200 - Equipment and furniture	5.000
							GOV	72800 – Information technology equipment	4.672.000
Indicator 2.1							UNDP	72800 – Information technology equipment	5.000
a) Number of new settlements covered by AzDataCom;							GOV	71600 - Travel costs	95.000
b) Number of new functionalities of AzDataCom.							UNDP	71600 - Travel costs	5.000
							GOV	71400 - Contractual Services (individuals)	180.000
							UNDP	71400 - Contractual Services (individuals)	5.000
							GOV	72400 - Communications and audio-visual equipment	30.000
							GOV	74200 - Audio-visual and printing production	20.000
							GOV	72500 - Supplies	63000
							GOV	75100 - General Management Support	300.000
							GOV	74500 - Miscellaneous	145.000

Description	Activity					Party	Source	Budget Line	Amount
							UNDP	74500 - Miscellaneous	5.000
Output 3. Public Private Partnership Specialist Centre on ICT/Broadband is established.	Activity 3.1	x	x	x	x	MoCIT UNDP	GOV	72100 - Contractual services- Companies	70.000
							GOV	71300 - Local consultants	50.000
							UNDP	71300 - Local consultants	5.000
Baseline 3.1							GOV	71200 - International experts	55.000
There is no systemic approach to Public Private Partnership in the ICT sector.							UNDP	71200 - International experts	5.000
							GOV	72200 - Equipment and furniture	50.000
							UNDP	72200 - Equipment and furniture	5.000
Indicator 3.1							GOV	71600 - Travel costs	55.000
a) PPP Centre is established and functions according to the work plan – yes/no;							UNDP	71600 - Travel costs	5.000
							GOV	71400 - Contractual Services (individuals)	80.000
b) Number of ICT initiatives/ projects in partnership with private sector.							UNDP	71400 - Contractual Services (individuals)	10.000
							GOV	72400 - Communications and audio-visual equipment	10.000
							GOV	74200 - Audio-visual and printing production	15.000
							GOV	72500 - Supplies	45.000
							GOV	75100 - General Management Support	25.000
							GOV	74500 - Miscellaneous	45.000
							UNDP	74500 - Miscellaneous	5.000
Output 4. National capacities to exploit the application of ICT's to engage citizens in e-participation have increased.	Activity 4.1	x	x	x	x	MoCIT UNDP	GOV	72100 - Contractual services- Companies	120.000
							GOV	71300 - Local consultants	90.000
							UNDP	71300 - Local consultants	5.000
Baseline 4.1							GOV	71200 - International experts	110.000
There is a good national capacity for e-services but capacities for e-participation are limited.							UNDP	71200 - International experts	5.000
							GOV	72200 - Equipment and furniture	70.000
							UNDP	72200 - Equipment and furniture	5.000
Indicator 4.1							GOV	71600 - Travel costs	100.000
a) National Action Plan on e-participation is developed – yes/no;							UNDP	71600 - Travel costs	5.000
							GOV	71400 - Contractual Services (individuals)	110.000
b) Number of government officials and citizens reached by the e-participation trainings.							UNDP	71400 - Contractual Services (individuals)	10.000
							GOV	72400 - Communications and audio-visual equipment	30.000
							GOV	74200 - Audio-visual and printing production	30.000
							GOV	72500 - Supplies	95.000
							GOV	75100 - General Management Support:	45.000
							GOV	74500 - Miscellaneous	100.000
							UNDP	74500 - Miscellaneous	5.000

Output / Baseline / Indicator	Activity					Resp.	Source	Budget account	Amount
Output 5. Awareness and basic capacities for improved access to information and government data have increased.	Activity 5.1	x	x	x	x	MoCIT UNDP	GOV	72100 - Contractual services- Companies	110.000
							GOV	71300 - Local consultants	120.000
							UNDP	71300 - Local consultants	10.000
							GOV	71200 - International experts	96.000
							UNDP	71200 - International experts	5.000
							GOV	71600 - Travel costs	115.000
							UNDP	71600 - Travel costs	5.000
							GOV	71400 - Contractual Services (individuals)	120.000
							UNDP	71400 - Contractual Services (individuals)	10.000
Baseline 5.1 Azerbaijan has joined Open Government Partnership (OGP) initiative and adopted National Action Plan on OGP.							GOV	74200 - Audio-visual and printing production	30.000
							GOV	72500 - Supplies	106.500
							GOV	75100 - General Management Support	42.500
Indicator 5.1							GOV	74500 - Miscellaneous	110.000
a) Inputs for roadmap for better access for better access to government data available – yes/no;							UNDP	74500 - Miscellaneous	5.000
b) Number of civil servants and general population reached by awareness campaign and trainings.									
Output 6. Operational framework for the EurACA is established.	Activity 6.1 Activity 6.2 Activity 6.3	x	x	x	x	MoCIT UNDP	GOV	71300 -Local consultants	110.000
							UNDP	71300 -Local consultants	5.000
Baseline 6.1							GOV	71600 –Travel costs	130.000
							UNDP	71600 –Travel costs	5.000
Two UN General Assembly Resolutions on TASIM were adopted.							GOV	71400 - Contractual Services (individuals)	240.000
							UNDP	71400 - Contractual Services (individuals)	10.000
							GOV	74200 - Audio-visual and printing production	60.000
Indicator 6.1							GOV	72100 - Contractual services- Companies	240.000
Framework documents are prepared- yes/no							GOV	71200 - International experts	140.000
							UNDP	71200 - International experts	5.000
							GOV	72200 - Equipment and furniture	115.000
							UNDP	72200 - Equipment and furniture	5.000
							GOV	72500 - Supplies	110.000
							GOV	72400 - Communications and audio-visual equipment	40.000
							GOV	75100 - General Management Support	70.000
							GOV	74500 - Miscellaneous	145.000
							UNDP	74500 - Miscellaneous	5.000
Output 7. Project Management	Activity 7.1	x	x	x	x	MoCIT UNDP	GOV	71300 - Local consultants	50.000
							UNDP	71300 - Local consultants	30.000
Baseline 7.1							GOV	71200 - International experts	30.000

Project document developed.	GOV	72200 - Equipment and furniture	20.000
	UNDP	72200 - Equipment and furniture	25.000
Indicator 7.1	GOV	71600 - Travel costs	30.000
Level of accomplishment of annual project targets, as per the IWP	UNDP	71600 - Travel costs	15.000
	GOV	71400 - Contractual Services (individuals)	40.000
	UNDP	71400 - Contractual Services (individuals)	125.000
	GOV	75100 - General Management Support	10.000
	GOV	74500 - Miscellaneous	20.000
	UNDP	74500 - Miscellaneous	30.000
TOTAL			10.450.000

V. MANAGEMENT ARRANGEMENTS

A. National Execution (NEX): The project will be nationally implemented by the Ministry of Communication and Information Technologies (MoCIT) that will act both as the Implementing Agency 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 Agency, MoCIT will be responsible for overall project management. Besides, it will be responsible for the facilitation of all project activities such as 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 three members:

- The Executive (Implementing Partner). This position will be held by the Minister of Communications & Information Technologies or his authorized representative;
- 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 an authorized representative of MCIT.

Project Assurance: UNDP will designate a Programme Advisor to provide independent project oversight and monitoring functions, to ensure that project activities are managed and milestones accomplished. The UNDP Programme 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.
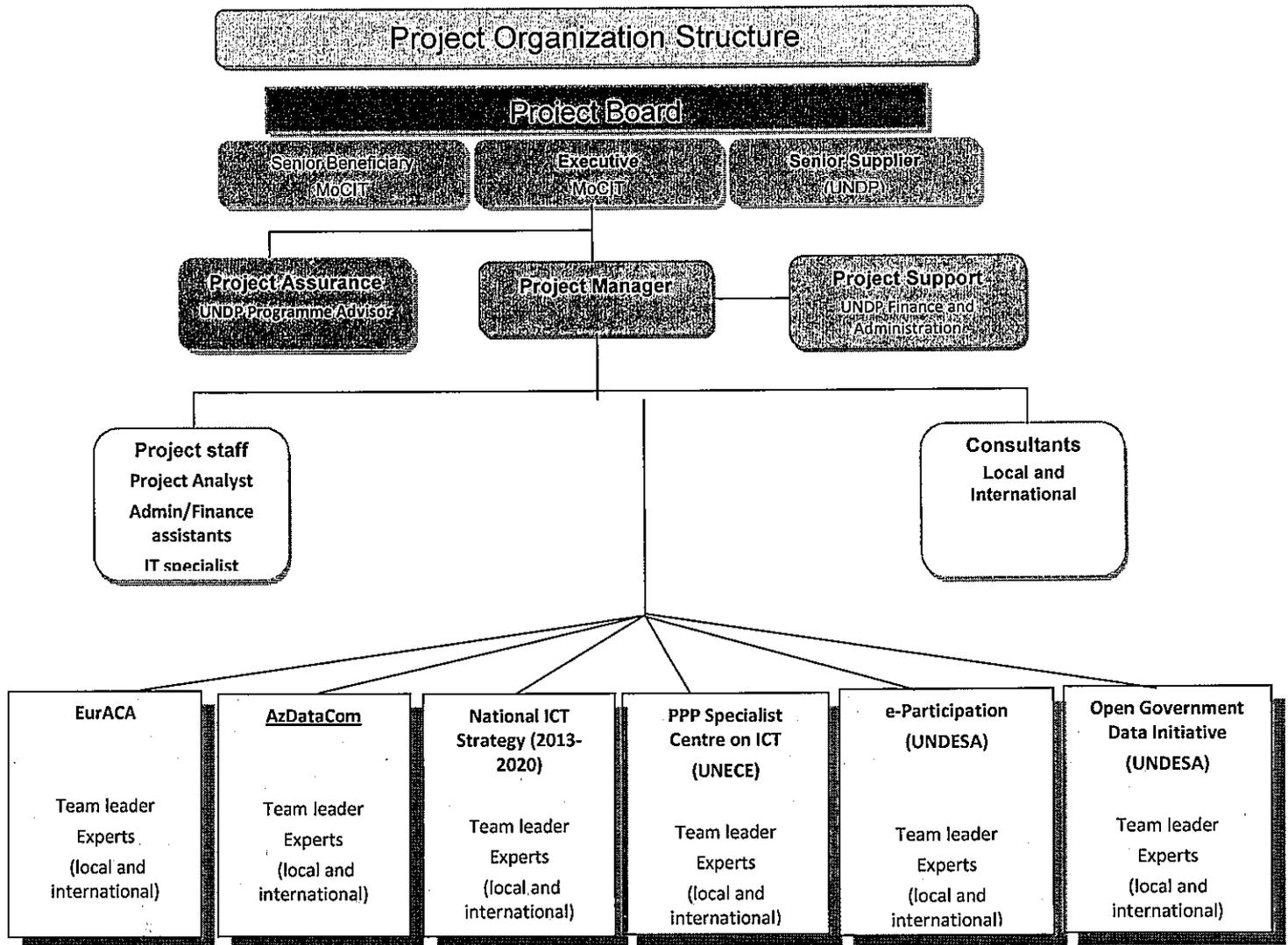
Expert support: National and international expert support will be mobilized for implementation of project activities, where relevant. For each project component, there will be a lead consultant acting as Team Leader. He/she will be responsible for preparing component plans, organizing expert groups, setting tasks and monitoring their implementation.

Project team composition: The Project Management Team consists of Project Manager, Project analysts, Project Officers, IT specialists and administrative and finance assistants.

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/she 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 relevant activities specified in the project document up to the required quality standards and within the specified constraints of time and cost.

Project analyst, finance / administrative staff:

Under the guidance of the Project Manager, the Project Analyst will prepare procurement plan, supporting documents for contracting and payments, and participate in project monitoring activities. The project's finance and administrative staff will provide support services related to administrative, procurement and financial issues such as preparation of payment and contract requests, raising requisitions, due filing and maintenance of inventory records, travel arrangements, etc. IT specialists will be responsible for monitoring IT activities in the project.

Project Organization Structure

Project Board

| Senior Beneficiary MoCIT | Executive MoCIT | Senior Supplier (UNDP) |

Project Assurance
UNDP Programme Advisor

Project Manager

Project Support
UNDP Finance and Administration

Project staff
Project Analyst
Admin/Finance assistants
IT specialist

Consultants
Local and International

EurACA	AzDataCom	National ICT Strategy (2013-2020)	PPP Specialist Centre on ICT (UNECE)	e-Participation (UNDESA)	Open Government Data Initiative (UNDESA)
Team leader Experts (local and international)	Team leader Experts (local and international)	Team leader Experts (local and international)	Team leader Experts (local and international)	Team leader Experts (local and international)	Team leader Experts (local and international)

B. Inputs to the project. To ensure successful implementation of the project the Government of Azerbaijan and UNDP will make the following contributions to the project:

Government inputs:
- Amount of USD 10,000,000 to the budget of the project
- Free premises for the project team and related activities and facilitating access to any information necessary for the consultants to complete their missions;
- Coordination of the project activities with national and local executive authorities;
- Participation in the selection of suppliers of goods and services for the project;
- Overall support in preparation of the training courses.

UNDP inputs:
- Amount of USD 450,000to the budget of the project;
- Support services in selecting international/local experts and staff to be recruited under the project;
- Support services in procurement and finances;
- Participation in the organization of training activities and selection of equipment suppliers;
- Quality control over the project outputs.

C. Audit Arrangements. The project will be subject to an independent audit as required by the UNDP NEX Guidelines.

VI.   MONITORING FRAMEWORK AND EVALUATION

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

<u>Within the annual cycle</u>

- On annual 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 Board through Project Assurance, using the standard report format available in the Executive Snapshot.

- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

<u>Annually</u>

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR 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 Board 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.

Evaluation Arrangements: The project will be subject to independent evaluation as required by the UNDP rules and procedures.

## VII.	LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of Azerbaijan and UNDP, signed on January 6, 2001.

Consistent with the Article III of the SBAA, 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.