**UNDP Annotated Template for Joint SDG Fund Finance Call Component 1** We have provided some text as suggestions for the template ONLY AS A PROMPT for your own discussions and articulation of the proposal. Our suggestions are at a general level and include a diversity of suggestions to be selected from or discarded. The proposal is clearly yours to develop and needs to be context specific.

We provide lists of links to tools and methodologies that may be useful. If you would like to discuss further your next steps in developing the proposal and / or access other country experience that might be relevant to your areas of focus in the proposal, please do reach out to your relevant regional focal points. Regional Bureau have either already been in touch or will be so shortly in this regard.

Global contacts for support on both Components 1 and 2 are Marcos Neto and Tom Beloe.

**Joint Programme Document**

- Simplified Template -

**A. COVER PAGE**

**1. Fund Name**: Joint SDG Fund

**2. MPTFO Project Reference Number**

**3. Joint programme title**

Financing the Future - aligning budgeting, planning and mobilizing financing, through an Integrated National Financing Framework (INFF).

**4. Short title**

Sustainable, Integrated and Gender Inclusive Finance Framework for Azerbaijan, Beyond Oil.

**5. Country and region:** Azerbaijan

**6. Resident Coordinator** Mr. Ghulam Isaczai, ghulam.isaczai@one.un.org

**7. UN Joint programme focal point**

Mr. Alessandro Fracassetti, Resident Representative, UNDP

Ms. Charu Bist, Deputy Resident Representative, UNDP

Mr. Farid Babayev, Assistant Resident representative, UNFPA

**8. Government Joint Programme focal point**

Ms. Sevinj Hasanova, Deputy Minister of Economy, of the Republic of Azerbaijan

Mr. Ali Ahmadov, Deputy Prime Minister/Chairman of the National Coordination Council on Sustainable Development of the Republic of Azerbaijan

**9. Short description**:

This Joint Programme outlines an integrated response to need of the government of Azerbaijan to optimize resource allocation towards national development ambitions and their alignment with the SDGs agenda.

Economic planning in Azerbaijan not only needs to diversify, it also needs to be greener. Azerbaijan’s economy is highly dependent on hydrocarbons with the sector accounting for some 41 per cent of GDP, 92 per cent of exports and 65 per cent of fiscal revenues.[[1]](#footnote-2) The reliance on fossil fuels leaves Azerbaijan vulnerable to macroeconomic shocks linked to world market energy price declines. The global coronavirus (Covid‑19) pandemic has had a major economic shock in Azerbaijan in 2020, with lower energy demand underpinning a collapse in global oil and gas prices. This will dent Azerbaijani oil and gas exports, and government revenue. The current scenario imposes an immense pressure to the Government to rethink Azerbaijan’s economic model and its public-finance strategy. Over the past years, the Azerbaijan Government has taken several steps to modernise traditional sectors of the economy into the green growth agenda and improve public-finance resilience.

This Joint Programme will be the first of its kind for Azerbaijan in ensuring an Integrated National Financing Framework that can support the Government of Azerbaijan to manage and mobilize financing (private, public, domestic, international) for sustainable development results. At the same time, this Programme will ensure to Leave No One Behind as nearly 40 percent earn below $60 of the poverty line (SSC, 2019c)[[2]](#footnote-3) making them extremely vulnerable to energy prices, health outbreaks and income volatility. Mobilization of such development financing INFFs will guide and contribute to enhanced government efforts towards an integrated and gender inclusive finance framework for Azerbaijan.

**10. Keywords:**

Sustainable economic growth, private sector, non-oil economic models, green economy, climate, gender, women.

**11. Overview of budget**

**Overview of budget**

|  |  |
| --- | --- |
| **Joint SDG Fund contribution**  |  |
| **UNDP** | **USD 800,000** |
| **UNFPA** | **USD 200,00** |
| NCSSD Co-funding X *(in kind)*  | *USD 300,000*  |
| **TOTAL**  | **USD 1,000,000.00**  |

**12. Timeframe:**

|  |  |  |
| --- | --- | --- |
| **Start date** | **End date** | **Duration** (in months) |
| August 2020 | August 2022 | 24 months |

**13. Gender Marker**:

The total score on the gender marker matrix is 2. This initiative will be built upon the UNFPA and UNDP jointly conducted gender assessment that identified how to best support the efforts of national partners to promote women’s economic empowerment and economic participation, including formal employment. The study informed the activities of a regional project, through which UNDP, in partnership with UN Women, will reach out to companies to advocate for the implementation of gender responsive corporate policies and practices, this initiative will ensure scaling out and replication of efforts.

**14. Participating UN Organizations (PUNO) and Partners:**

***14.1 PUNO POTENTIAL***

* Convening agency: **UNDP**
* Other PUNO: **UNFPA**

***14.2 Partners POTENTIAL***

* National authorities: **National Coordination Council for Sustainable Development**, **Ministry of Economy, Small and Medium Business Development Agency, State Oil Company of the Azerbaijan Republic, State Oil Fund of Azerbaijan, Ministry of Ecology, Ministry of Energy**
* Civil society organizations
* Private sector: **Chambers of Commerce / Insurance industry etc**
* International Financial Institutions **World Bank Group/ International Monetary Fund / Asian Development Banks/** **State Secretariat for Economic Affairs**
* Other partners: **European Commission / Other development partners**

**SIGNATURE PAGE**

|  |  |
| --- | --- |
| **Resident Coordinator**Mr. Ghulam IsaczaiApril 1, 2020  | **National Coordinating Authority** Ms. Sevinj HasanovaDeputy Minister, Ministry of Economy, Government of Azerbaijan |
| **Participating UN Organization** (lead/convening)United Nations Development Programme Alessandro Fracassetti April 1, 2020 |
| **Participating UN Organization**UNFPA Farid BabayevApril 1, 2020 |
|  |
|  |

**B. STRATEGIC FRAMEWORK**

**1. Call for Concept Notes**: SDG Financing (2/2019) – Component 1

**2. Programme Outcome [pre-selected]**

Additional financing leveraged to accelerate SDG achievement (Joint SDG Fund Outcome 2)

**3. UNDAF Outcomes and Outputs**

***Outcome 1***

**By 2025, people furthest behind participate in and benefit from a diverse and innovative economy allowing for future-oriented labour market transformation and legal access to decent work**

***Output 1.1.1:***

MSMEs and social enterprises are set up and sustained for the benefit of the furthest behind

***Outcome 2.2***

**By 2025, quality\*, disaggregated and timely data is available and used to inform decision-making and policies that leave no one behind**

***Output 2.2.1:***

Institutional capacities are strengthened to improve monitoring and reporting on the SDGs and on furthest behind persons

***Output 2.2.2:***

National capacities are enhanced to generate evidence-based policies and decisions

***Outcome 3.1:***

**By 2025, people including those left behind benefit from climate strategies and environment protection policies that ensure natural resources are sustainably managed, livelihoods are protected, and resilience strengthened**

***Output 3.1.1***:

Institutional capacities to plan, track and report on climate change, and to access climate finance and technologies, are strengthened

***Output 3.1.4***:

Evidence-based policies, mechanisms and practices are adopted to reduce environmental hazards and pollution in urban and rural areas

***Outcome 4.1:***

**By 2025, women and girls, including those furthest behind, benefit from enhanced national mechanisms that ensure they are protected from discrimination and violence and empowered to participate in all spheres of life**

***Output 4.1.1:***

Costed action plans on gender equality are set up and implemented

***Output 4.1.3***

Women and girls have acquired skills and knowledge to enjoy equal rights and opportunities

**4. SDG Targets directly addressed by the Joint Programme**

SDG 1: No Poverty

 1.b: Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.

SDG 3: Good Health and Well-being

 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

SDG 5: Gender Equality

 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and empowerment of women and girls at all levels.

SDG 7: Affordable and Clean Energy

 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

SDG 9: Industry, Innovation and Infrastructure

 9.a: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States.

SDG 8: Decent Work and Economic Growth

 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-and medium-sized enterprises, including through access to financial services

 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

SDG 13: Climate Action

13.b: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities.

SDG 16: Peace, Justice and Strong Institutions

 16.6: Develop effective, accountable and transparent institutions at all levels.

SDG 17: Partnership for the Goals

 17.3: Mobilize additional financial resources for developing countries from multiple sources

 17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

**5. Relevant objective(s) from the national SDG framework**

Over the last period, the Secretariat of the National Coordination Council was established, four working groups were formed (on economic development and decent employment, social and environmental issues, as well as monitoring and evaluation, respectively) and other preparatory measures had been taken.

Currently, the NCCSD, with the support of the Secretariat and the Working groups, is making efforts to intensify activities in the following areas:

* Develop a new National Development Strategy 2030 considering the possibility of a more coherent approach for crafting national strategic documents until 2030;
* Ensure broad based and inclusive stakeholder participation;
* Identify of national priorities and sustainable development gaps;
* Articulate inclusive and rights-based national strategies and policies;
* Design national reporting and review framework, and links to regional and global reviews.

In July 2019, Azerbaijan developed the second edition of Voluntary National Review (VNR) of SDGs and presented it at High-Level Political Forum (HLPF) in New-York.

**C. Joint Programme description**

**1. Baseline and Situation Analysis**

**1.1 Problem statement**

Azerbaijan's economic landscape and the government political represent a ground-breaking opportunity for international organizations, multilateral development banks, and the international community to push for systemic changes in the country towards financing SDGs.

Despite the commitment of the Government of Azerbaijan to lead the progress in the country within the framework of Agenda 2030, an INFF or a financing roadmap has not yet been developed on the implementation of the SDG’s.

The largest contributor to SDGs financing is the government. In this regard, 56% of available financing for SDGs is contributed by the government, while 38% comes from foreign direct investments and private sector[[3]](#footnote-4). In addition to the government budget, SDGs indirectly supported by the State Oil Company of the Republic of Azerbaijan (SOCAR) through their commitment to promote proactively environment agenda[[4]](#footnote-5).

Foreign direct investments and private sector, those are engaged, however, on a small scale. To this end, the country struggles to attract and retain foreign investments that aren't aligned with the extractive industry (i.e., mining, oil, and gas), which increases the challenges to diversify the economy, implement the SDGs in country level, improve gender considerations and to reduce national inequalities. The private sector gets involved in some activities to promote SDGs[[5]](#footnote-6), yet no large-scale direct financing has been allocated in this regard[[6]](#footnote-7). Several challenges, such as the low quality of expenditure, fiscal instability, and economic downturn, are the main drawbacks that threaten the sustainable financing of the SDGs from the state budget. Since the military and defence spending have prevailed over the years (12%), health and education received less attention, with the budget allocation of 4% and 9% respectively[[7]](#footnote-8). In addition, the efficiency of those spending is questionable, considering the number of inefficiencies in service delivery.

Azerbaijan is exposed to macroeconomic shocks linked to fluctuations in global energy prices. Hence, the overreliance of the economy on the oil and sector makes the financing of SDGs vulnerable to the change of the oil prices in the markets. To elaborate, petroleum products account for over 90% of Azerbaijan's exports, and the oil and gas industry makes up between 33% and 50% of Azerbaijan's GDP depending on oil prices[[8]](#footnote-9). In the recent past, in 2014-2015, Azerbaijan had already faced its worst crises since independence when the national currency, the Manat, devalued twice, which led to rising social tension, high prices, increased unemployment. Throughout the years 2014-2018, the repercussions of dropping oil prices on the exchange rate have been easy to follow. While the oil and gas revenues were anticipated to reach $200 billion by 2024, with the economic volatility, oil prices, and the devaluation of the manat[[9]](#footnote-10), the expectations seem to be challenging to implement.

In addition to above mentioned, the outbreak of COVID19 makes Azerbaijan highly vulnerable to the immediate and medium-term impacts of the pandemic, and it is anticipated that the health crisis will significantly affect government spending. For instance, President Ilham Aliyev signed a decree providing an initial AZN 20 million to the Fund to Support Fight Against Coronavirus to support and build the capacity of the healthcare personnel, improve infrastructure, supply to material and technical base, raise public awareness and undertake other measures to fight coronavirus infection in the Republic of Azerbaijan. Following this announcement, the state agencies, private companies, and individuals started making contributions to this Fund[[10]](#footnote-11). These and other measures will change the dynamic of financing of the SDGs with the focus on the healthcare sector.

The current scenario imposes an immense pressure to the Government to rethink Azerbaijan’s economic model and its public-finance strategy. Over the past years, the Azerbaijan Government has taken several steps to modernise traditional sectors of the economy into the green growth agenda and improve public-finance resilience.

Progress is also needed in key areas of gender equality including improving maternal and child health, reducing the gender wage gap and increasing women’s political representation. In the area of economic empowerment, women comprise 48.1% of the labour force but according to Government statistics they have a higher unemployment rate than men and only 21.5% of registered businesses are operated by women. Azerbaijan’s Gender Development Index (GDI) value was 0.940 in 2019.

To some extent, Azerbaijan faces similar challenges (resource curse) as many oil-rich countries. But, contrary to many oil-dependent countries, Azerbaijan Government is committed to move towards a low-carbon economy and to modernize traditional sectors of the economy into the green growth agenda. However, there are a few challenges that need to be addressed, including:

* Developing an intelligent approach to collect, measure and track the implementation of the SDGs by the public and private sector;
* Improving strategic collaboration across public and private sectors to strategize the SDGs implementation;
* Launching fiscal incentives and policies to attract, retain and scale-up responsible investments to green assets and projects;
* Managing public-private partnerships programmes to incentivize and nurture inclusive and sustainable businesses;
* Aligning non-financial risk management systems (also known as Environmental, Social and Governance practices) in public financing policies;
* Integrating the SDGs in the national development plan, and as part of the monetary policy; and
* Designing a holistic and participatory Integrated National Financing Framework that encapsulates the necessary conditions to support green growth.

That said, the country is looking to take further strategic policies and programmes to operationalise the SDGs in local and national levels, improve public finance resilience, as well as to integrate the SDGs in its national development plan.

* 1. **. SDGs and targets**

**1.2.1 Programme Baselines**

Azerbaijan has invested in several studies to map the SDGs and to identify green growth opportunities. For example, UNDP developed Azerbaijan’s Mainstreaming, Acceleration and Policy Support (MAPS) for 2017, 2018 and 2019. Also, the Government and the UN worked on two country National Voluntary Reports (2018, 2019).

The results of these technical studies provide a consistent baseline for the Joint SDG Fund in Azerbaijan, focusing on green growth. The UNDP and the Azerbaijan Government identified three core baselines that will be used for measurement of the progress of the joint programme, including the methodology required to measure progress by the end of the joint programme.

**Baseline 1: Inclusive policies and programmes to operationalise the INFF in Azerbaijan**

**Current scenario:** Azerbaijan doesn’t have an INFF and strategic financial strategies that can support a green-growth economy, and the country doesn’t have a coordination group to operationalise policies into the real economy. The agency responsible for the baseline and implementation will be the National Coordination Council for Sustainable Development (NCCSD).

**Measurement process:** i) implementation of the INFF Assessment and Diagnostic; ii) design and deliver of country’s financing strategy, iii) developing of a central hub/platform to collect relevant information on SDG reporting and green economy indicators, iv) developing and launching a public-private partnership platform to coordinate efforts to implement the INFF and green policies and projects in Azerbaijan.

**Baseline 2: “business as usual” versus “green economy”**

**Current scenario:** About 10% of the energy produced in Azerbaijan derives from petroleum-fired power plants, and the mining and hydrocarbon industries accounted for well over 50 per cent of the Azerbaijani economy - diversification of the economy into non-oil manufacturing industries remain a long-term issue. The Ministry of Energy is the key agency to coordinate and manage activities of this baseline.

**Measurement process:** UNDP and partnering organisations will use a series of key performance indicators (KPIs) to measure: i) investments made (in USD) into alternative/sustainable energy, ii) strategic policies to incentivise investments and businesses related to sustainable energy, iii) the percentage of energy produced from non-oil resources, iv) the number of new companies and projects related to produce and support sustainable energy production, v) the percentage (annual growth) of companies and businesses that provide support to country’s green economy and sustainable energy production.

**Baseline 3: Innovative labour markets, promoting green growth in labour- intensive sectors**

**Current scenario:** The agriculture sector (5.63% of the GDP in 2017) employs the most people in the country (37.48% of the population in 2018), followed by Services (36% of the population in 2018). But both the sectors lack access to affordable finance (i.e. microcredit, microinsurance) and technical support (i.e. best practices and tools on sustainable agriculture, project management to SMEs). A multi-governmental agency will be responsible for the implementation process of the baseline ‘3’.

**Measurement process:** UNDP and partnering organisations will use KPIs to assess: i) number of new government policies, aligned with the INFF, to support green SMEs in urban and rural areas; ii) number of SMEs aligned with a green economy and SDG-aligned businesses, iii) private and public investments (in USD) made in rural (agriculture) and urban SMEs, iv) number of public and private initiatives to support new developments and technologies in responsible agriculture, v) number of farmers and businesses receiving microcredit and microinsurance services, vi) number of SMEs and famers with access to blended finance products and services, vii) percentage (growth rate) of formal farmers and SMEs.

**1. SDG targets and indicators related to green growth investments**

Based on the baselines above, UNDP and partner organisations identified a few SDG targets and indicators to measure specific initiatives of the Joint Fund:

**SDG 6: Ensure availability and sustainable management of water and sanitation for all**

|  |  |
| --- | --- |
| Targets: | Indicators: |
| 6.3, 6.4, 6.B | 6.4.1, 6,B,1 |
| Focus area: Sustainable Agriculture financing, reduction of oil-industry dependency, innovation in industry and agriculture, new green businesses and investments |

**SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all**

|  |  |
| --- | --- |
| Targets: | Indicators: |
| 7.1, 7.2, 7.3, 7.A, 7.B | 7.1.2, 7.2.1, 7.3.1, 7.A.1, 7.B.1 |
| Focus area: Investments in green energy, policies and resources to update and modernise energy generation, access to renewable energy, reduction of oil-industry dependency, R&D investments in green energy |

**SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all**

|  |  |
| --- | --- |
| Targets: | Indicators: |
| 8.1, 8.2, 8.3, 8.4, 8.8 | 8.3.1, 8.4.1 |
| Focus area: SME finance, financing green businesses and projects |

**SDG 12: Ensure sustainable consumption and production patterns**

|  |  |
| --- | --- |
| Targets: | Indicators: |
| 12.2, 12.3, 12.5, 12.6, 12.A | 12.2.1, 12.3.1, 12.6.1, 12.A.1 |
| Focus area: Innovation in SME and agriculture, energy improvements (inputs) in companies and oil-based industry |

**SDG 13: Take urgent action to combat climate change and its impacts**

|  |  |
| --- | --- |
| Targets: | Indicators: |
| 13.2, 13.3,  | 13.1.2, 13.2.1, 13.3.2 |
| Focus area: Policies and incentives to green economy and businesses, improvements in policies to support green investments |

**1.3 Stakeholder mapping and target groups (max 2 pages)**

To ensure the achievement of the expected impact, joint programme (JP) will develop partnerships with the following stakeholders:

The **National Coordination Council for Sustainable Development (NCCSD)** under the leadership of the Deputy Prime Minister of Azerbaijan Republic was created by the Presidential Decree as the principal institutional and policy-making body to ensure implementation of the 2030 Agenda on Sustainable Development in Azerbaijan. The NCCSD is chaired by the Deputy Prime Minister and includes representatives from 13 ministries and state committees. The work of the NCCSD is supported by three thematic working groups (economic, social and environmental) and a cross-cutting group on SDG monitoring. In this context, through support to the NCCSD in strengthening its institutional capacity to fulfil its mandates as the lead agency, the current JP would ultimately contribute to financing SDGs and the formulation of comprehensive policy interventions and action plans.

The **State Committee for Family, Women and Children Affairs** (SCFWCA) is the principal government body responsible for the formulation, coordination and implementation of women policies. The SCFWCA will be the main Government stakeholder to engage in the policy debate on gender-responsive policies and measures in the context of the SDG financing. The SCFWCA will be involved in the all outcomes.

The **Ministry of Economy of Azerbaijan Republic** is a crucial government counterpart in charge of economic development, state investments, economic relations, foreign investments, sustainable development, and business promotion activities in Azerbaijan. The Ministry of Economy of the Republic of Azerbaijan was established based on the Ministry of Economic Development in October 2019[[11]](#footnote-12). As per strategic target 7 in Strategic Plan 2017-2020[[12]](#footnote-13), the Ministry has been assigned a Secretariat function to ensure the functioning of the NCCSD. Within the framework of this project, the Ministry will play a vital role in establishing and coordinating INFF.

The **Small and Medium Business Development Agency** was established in accordance with the Decree of the President of the Republic of Azerbaijan dated December 28, 2017. As a legal entity under the Ministry of Economy, the Agency is authorized to support the development of small and medium enterprises (SMEs) in the country by providing them with several services as well as ensuring coordination and regulation of services. The Agency’s missionis to increase the efficiency of SME’s system regulation, ensure a variety of support mechanisms and entrepreneurs’ smooth access thereto, achieve sustainable SMEs sector development and its increased contribution to the national economy[[13]](#footnote-14). To this end, the partnership with the Agency will be key in engaging SMEs to become a part of INFF.

The **State Oil Company of the Azerbaijan Republic (SOCAR)** is a state-owned oil and gas company, which is involved in exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate, marketing petroleum and petrochemical products in domestic and international markets, and supplying natural gas to industry and the public in Azerbaijan. SOCAR aligns its activities and initiatives with the Sustainable Development Goals to support the Government and make its contribution towards Agenda 2030. Considering current capacity and opportunities, business profile of the Company, and current situation in the markets where SOCAR operates, SOCAR prioritized 11 Sustainable Development Goals and have undertaken several initiatives guided by the commitments set by the Government for each target[[14]](#footnote-15). Considering that SOCAR contribution to the achievement of SDGs, it will be involved in the JP at the early stages.

The **State Oil Fund of Azerbaijan** (SOFAZ), a state fund, which aims at the preservation of macroeconomic stability, ensuring fiscal-tax discipline, decreasing dependence on oil revenues, and stimulating the development of the non-oil sector, financing major national-scale projects to support socio-economic progress.[[15]](#footnote-16) The Fund made seminal steps in achieving Agenda 2030 in Azerbaijan by investing in the wellbeing and livelihood of IDPs, reconstructing irrigation systems, water pipelines, as well as investing to boost inclusive growth in the non-oil sector. The involvement of the Fund is anticipated to promote green growth and ensure the sustainability of the programme beyond the outlined timeframe.

UNDP in Azerbaijan recognized that the proposed JP set an ambitious goal, which can be achieved by engagement of the **private sector**. The SDG identifies both where the private sector needs to be in 2030 for a common sustainable world and outlines new market opportunities. As the partnership around SDGs is getting the momentum globally, the involvement of the private sector in SDG financing will support unlocking economic, social, and environmental potentials in Azerbaijan. To this end, the private sector will be engaged directly and through the Chamber of Commerce and business associations (e.g., American Chamber of Commerce, Azerbaijan-France Chamber of Commerce, and others).

Considering the nature of SDGs, both as a set of global goals and as a process, the JP should serve as a means for building a broader coalition of partners, both national and international, for longer-term cooperation and commitments towards 2030. Engaging other donors – development banks, other bilateral and multilateral donors – would be essential for building broader international support to the SDG financing process in Azerbaijan. In this regard, **development partners** such as USAID, EU, World Bank will also be mobilized around the action of establishing and tracking the progress of INFF. These are the partners who support the development of public-private partnership modalities, public finance reforms, and other areas.

While the primary beneficiaries of the JP are associated with public institutions (members of the NCCSD), the JP would support engaging other national development stakeholders both as beneficiaries of and contributors to the participatory SDG process. **Civil society**, **academia**, and **think tanks** (both affiliated with the Government and independent ones) will be engaged at different stages into the process both for analysis, debates, and formulation of INFF. JP will make a specific focus on engaging civil society organizations that prioritize gender equality in their mission statements.

**2. Programme Strategy**

**2.1. Overall strategy**

The government of Azerbaijan is committed to design and implement critical reforms to reduce its dependence on exports of fuel and mineral commodities, to mitigate potential effects associated with an extractive-based economy, such as the growth of inequality and climate change risks, and to shift its economic model from oil-based to a green growth economy. The Government is looking for strategic cooperation with the private sector and international community to co-design holistic policies and plans to unlock green investments, scale-up SDG-aligned programmes, and to modernise the country's economic model. And the key component to unlock green investments is the development of an Integrated National Financing Framework (INFF).

The Joint Programme will help creating a ripple effect of positive impacts in Azerbaijan’s economy and SDG implementation. Also, the programme can be a global case-study to countries that are heavily dependent on extractive industries (i.e. oil, gas and minerals). to this end, the success of the Azerbaijan Joint Programme depends on the cooperation of key stakeholders (including the UN) and the practical support of the Government to operationalise future SDG-aligned policies.

The UN will play a strategic role to expand the dialogue and coordination between public agencies and the private sector, and to nurture mutual relationships with international organisations and investors interested in supporting Azerbaijan's SDG plans.

On digital technologies, UNDP is already key partner in the Government’s continued plans on modernization of sustainability and efficiency of ICT infrastructure. Priorities on urban smart cities roadmap, youth governance forum, joint activities with Youth Foundation on youth in science, technologies will be encouraged, and ICT strategy positioning will push Azerbaijan as a clear innovation leader in regional and global forums.

Also, the UN will provide the specialised and required know-how to design and implement the country's INFF, focusing on the green economy. And to help the Azerbaijan Government to integrate SDG strategies and measurement tools in its national development plan.

The impact of the Azerbaijan Joint Programme will contribute to accelerate investments in green energy, support the creation of innovative businesses, including sustainable agriculture while reducing economic inequalities and mitigating potential environmental risks associated with the extractive industry.

The shift to a green, low-carbon economy requires substantial financial investments. The lack of bankable projects to meet these needs is often due to capacity constraints and a lack of understanding of how a pipeline for such projects could be developed. This initiative will address this issue, considering already existing initiatives driven by other donors and especially IFIs, such as for example Green for Growth, E5P, Smart cities and other relevant initiatives, looking for complimentary actions. It will promote climate finance instruments and tools that are 100% gender-responsive, and that target and reaching community groups, grassroots women enterprises and sustainable development outcomes. Capacity development on enhanced climate investment with a gender lens will engage policymakers, women and women’s organizations, as well as a range of stakeholder groups at local, subnational and national levels.

The project implementation methodology will follow the logic of the Paris Agreement framework and relevant UN and EU climate acquis, as well as their subsequent developments. The respective climate change EU acquis and climate investment provisions will be the integral part of the project logic and implementation methodology.

Gender equality, empowerment of women and inclusion are central to all 17 Sustainable Development Goals. With distinct expertise across the world that our experts bring (broad skills on gender policing and inclusive programming), UN commits to intensify efforts to mainstream gender equality across all of its areas of work, by focusing on city projects that promote: (a) access to employment in the city’s workforce, (b) access to and use of gender-sensitive municipal infrastructure and services, and (c) learning in the area of promoting gender equality in access to services and employment through information sharing. In such a way, we strengthen evidence-driven gender responsive policies and mechanisms (platforms, solutions, structures) that effectively address institutional, social and cultural barriers and will promote equal representation and decision making of women.

In the context of Azerbaijan, conventional approaches to promote green growth are ineffective due to country’s oil-industry dependency. The central government identified that it is imperative to bring together national and international stakeholders to co-design a holistic INFF that can enable green investments and businesses in the country, turning Azerbaijan’s economy more resilient and diverse.

Our framework for strategic improvement relies on extensive institutional and regulatory framework analytics, with the crafting of the ‘architecture of cities’ problem’ to be able to find implementable actions and projects. Our interventions will, where possible, cut across multiple domains, government, business, academia, and society and addresses scale, time, and resources. This is what we will help the Government of Azerbaijan deliver, firmly including citizens in the planning process from the very beginning and keep them in the loop throughout the process – city policy planning processes should be driven bottom up, be people-centred rather than use the traditional top-down approach. To help the Government and cities’ leverage new investments to deliver profound transformation, we will initiate and include digital and smart services approaches (digital public transit payment, asset management through digital twins, water leakage detection, smart mobility).

The implementation of the SDGs in Azerbaijan will require multi stakeholder effort, involving different levels of national and local governments, and the private sector engagement and collaboration with local and international development organisations.

An initial step to accelerate the progress on achieving the SDGs is to adjust and modernise the country economic model. Currently, Azerbaijan remains a hydrocarbons dependent country; petroleum products account for over 90% of Azerbaijan's exports, and the oil and gas industry makes up between 33% and 50% of Azerbaijan's GDP depending on oil prices.

The joint programme will support the Government to develop an effective INFF strategy aligned with green growth principles, helping the country to accelerate investments into the green economy and SDG-aligned programmes.

The impact of the Azerbaijan Joint Programme will contribute to accelerate investments in green energy, support the creation of innovative businesses, including sustainable agriculture while reducing economic inequalities and mitigating potential environmental risks associated with the extractive industry.

This initiative will further be built upon the partnership with MLSPP and the SCFWA, were the establishment of centres that support women, youth, and persons with disabilities on jobs and starting businesses is promoted.

In 2019, eight Women Resource Centres (WRCs) (Masalli, Zagatala) have been established and one more WRC is to be established in Khachmaz soon in the framework of women’s economic and social empowerment. Additionally, six WRCs have been registered as local NGOs. Within the framework of “Women’s economic empowerment in South Caucasus” 435 women over 18 years old and within the framework of “EU4” 206 attended trainings on business plan, CV development, accounting, computer skills, job seeking and effective communication in Khazar, Gusar and Sabirabad regions while respectively 14 and 35 women have participated at the NGO establishment fundraising and proposal writing training in Khazar region. 525 persons with disabilities (129 women - 24.57%, 396 men; 88 youth - 16.76%) received 8-day training courses in soft skills (8 hours) and business skills (24 hours), covering 12 regions.

The UN will be a principal advisor and partner of the Azerbaijan Government by providing international experience and best practices (i.e. tools, resources) to design and implement INFF and to integrate SDGs into national development plans.

UN will work with partners to devise innovative, integrated solutions that accelerate integrated, and locally supported, pathways and projects for green and smart cities. It will support the government of Azerbaijan from trigger projects to the completion of the green cities plan to enable the emergence of follow-up projects. Experiences in consultative processes will be used and combined with our wide knowledge base of cutting-edge technology and expertise on green urban infrastructure and services.

This requires UN skilful and agile professionals in climate, energy, water and waste management service delivery. Our approach towards capacity development to organize inclusive and effectively operating public service environment helps to transform and reflect the needs of current situations through for example the introduction of renewable energy technologies to the areas that lack the adequate sustainable infrastructure and access to green energy and heating. We believe in the importance of the following key pillars in our city-centred action: (1) strengthening governance systems for enhanced public engagement in interventions, (2) modernizing service delivery sectors and introducing opportunities for sustainable solutions, and (3) enhancing climate resilience and effective management of natural resources.

These contributions are anchored on a theory of change that responsive and accountable governance systems will result in inclusive, people-cantered, sustainable policies and institutions.

Effective stakeholder engagement improves the environmental and social sustainability of projects, enhances project acceptance, and is key to successful project design and implementation. Like in nearly all our projects, active stakeholder engagement is central to any process. Stakeholder consultation ensures that investments optimally address needs and are generally accepted. Outreach about green and sustainable solutions increases the understanding of stakeholders about the potential benefits and limitations of new technology. At UN, we thrive for the opportunity to engage directly with beneficiaries of projects. We have a solid experience in complex stakeholder’s engagement processes and conducting broad stakeholder consultations.

UN’s impartial reputational credibility, specialized sectoral, economic and political expertise, and local presence and its emerging innovation accelerator labs can help to develop smart and implementable solutions as well as follow-up projects that want to pursue the sustainability drive. The UN will play a strategic role to expand the dialogue and coordination between public agencies and the private sector, and to nurture relationships with international organisations and investors interested in supporting Azerbaijan’s SDG strategies. Lastly, the UN will support the Government’s accountability and transparency in the development of the INFF and future national development plans.

The National Coordination Council for Sustainable Development (NCCSD) is the body responsible for managing SDG initiatives and will be accountable for the INFF implementation and oversight.

The central government will develop further responsibilities and improve the structure of the NCCSD to support the implementation of the joint programme. The improvements will focus on:

A public-private partnership platform to support and maintain strategic SDG engagements and coordination between public and private entities;

An expert group responsible for advising the NCCSD and other government bodies on SDG financing reforms and SDG policies, targeting green growth;

A national data system to collect, track and measure SDG indicators (both public and private) and to measure the results of the joint programme;

A reporting system that will focus on promoting transparency and accountability of the NCCSD activities to national organisations and the international community, including potential investors;

In this sense, the NCCSD will have internal teams and external working groups to support the design, implementation and validation of SDG-aligned policies and initiatives.

The joint programme will support the government to design and implement strategies that will facilitate domestic investments into green businesses and programmes, and to attract private SDG-aligned investments. For example, the government plans to increase investments in renewable energy and reduce energy production/dependency from petroleum-fired power plants; and develop further policies to incentivize investments into the green economy.

**2.2 Theory of Change (max 2 pages graphic)**



The **Theory of Change** is centred around designing a public-private partnership for establishing INFF, designing tools for tracking the progress of INFF, building capacity, and coordinating the efforts between public and private stakeholders. The overarching impact that the programme aims is to achieve to support Azerbaijan to shift from a volatile oil-based economy to a more inclusive and green economy aligned with the Agenda 2030 and beyond.

The cornerstone of the programme is to support the creation of the country INFF, targeting green growth financial strategies. And the UN will coordinate efforts with public and private organisations to attract and retain SDG-aligned investments that will be used to finance green assets and businesses; and scale-up Azerbaijan's future green economic model.

The programme will support the design of the Azerbaijan INFF and contribute with impactful changes in the country, such as:

* Improving SDG data collection that will be used to assess the performance of the INFF and SDG-aligned initiatives;
* Integrating the SDGs into Azerbaijan's national development plans and budget, focusing on green energy, sustainable agriculture, and sustainable businesses;
* Supporting green policies that will help scale up investments in renewable energy, sustainable innovation, and sustainable SME, including agriculture;
* Improving in Government budget allocation – helping the Central and regional government to support scalable and impactful programmes and investments;
* Streamlining communication and engagement with the private sector, the investment community, and civil society – launching a public-private partnership platform to discuss government strategies and define projects to collaborate;
* Attracting national and foreign investments in new and renewable energy and green businesses.

To achieve these, the process to operationalise Azerbaijan's INFF consists of three interconnected phases:

* Inception phase – Based on the data available (diagnose), Azerbaijan Government will launch a public-private partnership platform (PPP platform) to engage with key organisations to discuss and define the INFF set-up plan.
* INFF development – The Government, with the support of UNDP and project partners, will work with the PPP platform to articulate, test, and validate an INFF strategy. Also, UNDP and project partners will develop tools and technical resources to support the operationalisation of the INFF at national and local levels.
* INFF coordination – The Government will work with the PPP platform to collect, track, measure relevant SDG data, and assess the INFF performance. The coordination phase helps to avoid implementation risks and to establish controls to help to manage Azerbaijan INFF and SDG-aligned investments over time.

Lastly, the programme will invest resources in developing a set of knowledge products related to impact investments, ESG finance, as well as best practices in green finance (targeting renewable energy), relevant training to public officials, and private sector representatives.

The reports (i.e., UN MAPS report, National Voluntary Report, and UNDP Rapid Integrated Assessment) identified positive and challenging conditions to implement the SDGs and to establish the INFF in Azerbaijan. Based on this data, UNDP identified the following assumptions:

* The government of Azerbaijan is committed to move towards a low-carbon economy and to modernize traditional sectors of the economy into the green growth agenda.
* The willingness of the government of Azerbaijan increases the oversight of budget spending against SDGs.
* The large private enterprises in Azerbaijan are keen on mobilizing resources and actions around the Agenda 2030.
* The private sector supports Azerbaijan's commitments to modernize the economy.

UNDP understands that by addressing these main issues, the Azerbaijan Government will be able to improve country's SDG strategies, attract and retain strategic capital (both from international organisations and the investment community) to fund, expand SDG investments in national and local levels to make the transit to more green and sustainable economy.

**2.3 Expected results by outcome and outputs**

**Outcome 1:** Developing a public-private partnership platform (a governance mechanism of the INFF) to improve knowledge on SDG finance, and centralise institutional components for the INFF strategy

**Lead agency: UNDP** in close collaboration with Azerbaijan Government

* + **Output 1.1**: Designing and launch a public-private partnership platform with key stakeholders to centralise information and enable technical discussions on green economy and INFF formulation;
	+ **Output 1.2:** Designing a methodology to collect relevant gender desegregated data (both financial and non-financial – ESG) for the development of Azerbaijan’s INFF.
	+ **Output 1.3:** Developing an effective system to track SDG contributions (both financial flows and social commitments) for public and private entities;
	+ **Output 1.4:** Mapping all financial flows (public, private, internal and external), as well as mapping social programmes aligned with the green economy.

**Outcome 2:** Developing of Azerbaijan’s INFF strategy

**Lead agency: UNDP** in close collaboration with Azerbaijan Government

* **Output 2.1:** Developing and launching feasibility studies to assess key requirements to integrate green economic strategies into Azerbaijan’s INFF with the focus on gender ;
* **Output 2.2:** Organising thematic meetings and working groups with key stakeholders including national gender machinery to discuss and test future INFF strategy;
* **Output 2.3:** Developing a set of gender mainstreamed national capacity building programmes related to green economy, INFF development, best practices and lessons learned in green investments and the green growth;
* **Output 2.4:** Designing and launch of Azerbaijan’s INFF.

**Outcome 3:** Ensuring INFF coordination and programme sustainability

**Lead agency: UNDP** in close collaboration with Azerbaijan Government

* **Output 3.1:** Developing control systems to collect, track, measure relevant SDG data and assess the INFF performance, focusing on the green economy;
* **Output 3.2:** Designing a risk and compliance mechanisms to manage, mitigate and avoid potential risks related to INFF implementation;
* **Output 3.3:** Developing capacity building programmes related to SDG and INFF risk management;
* **Output 3.4:** Designing and maintain a system to track and evaluate green investments and businesses aligned with the INFF strategy;
* **Output 3.5**: Showcase and promotion of Azerbaijan’s INFF and green strategy to institutional investors

**Outcome 4:** The knowledge base with focus on those furthest behind is built for informed programming, planning and monitoring of sustainable development progress

**Lead agency: UNFPA and UNDP**

* **Output 4.1:** Data and evidence is improved for informed policy and decision making to track emerging population dynamics in the pursuit of sustainable development;
* **Output 4.2:** Policy dialogue with government and non-government partners strengthened for improved understanding of inter-linkages between population trends and sustainable development.

The INFF will be a catalyst for positive change in Azerbaijan’s economy and SDG implementation. The government expects to develop further activities to nurture and foster green businesses and investments. And as a result, the country will be less dependent on oil revenues, which will help to reduce economic volatilities and inequalities in the long term.

The two main constraints for the implementation of the SDGs are the country’s dependency on oil and the lack of a holistic INFF. Based on these conditions, during the joint programme implementation, UNDP and Azerbaijan government expects to improve SDGs 8 and 13 with relevant policies that will help to enable and scale-up green investments. By the of the programme, central government expects to improve SDG performance of targets 6, 7 and 13 based on the number of new green businesses and economic modernisation.

**2.4 Budget and value for money (max 2 pages)**

As mentioned earlier, the joint programme will help to reshape Azerbaijan’s economic model, shifting from a volatile oil-based economy to a more inclusive and green economy aligned with the Agenda 2030 and beyond. That said, the potential impact of the joint programme is comparable to 10% to 15% of the Azerbaijan GDP and can be a benchmark to other countries heavily reliant on oil.

With this regard, the distribution of the USD 1 million funding from the Joint Fund for Sustainable Development will be as follows:

* 800,000 USD for UNDP
* 200,000 USD for UNFPA

About 80% of the resources will be used for the design of the INFF and required technical advisory capacity to implement the INFF strategy. The remaining resources will be used for coordination with international organisations, engagements with the investment community.

The budget allocation will be organised as:

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome/output | Description | Activities | Amount |
| Outcome 1 | Developing a public-private partnership platform (a governance mechanism of the INFF) to improve knowledge on SDG finance, and centralise institutional components for the INFF strategy. |   |   |
| Output 1.1 | Designing and launch a public-private partnership platform with key stakeholders to centralise information and enable technical discussions on green economy and INFF formulation | INFF governance design; Launch of the PPP platform (INFF Secretariat);Creation and organisation of working/expert groups | $ 20,000 |
| Output 1.2  | Designing a methodology to collect relevant gender desegregated data (both financial and non-financial – ESG) for the development of Azerbaijan’s INFF | Design methodologies and approaches to collect relevant data for the design of the INFFTest and validate methodologies and approaches to collect relevant data (both financial and SDG data) | $ 20,000 |
| Output 1.3  | Developing an effective system to track SDG contributions (both financial flows and social commitments) for public and private entities | Development of a portfolio system to track financial and SDG data;  | $ 60,000 |
| Output 1.4  | Mapping all financial flows (public, private, internal and external), as well as mapping social programmes aligned with the green economy | Collect relevant data in public and private sector activitiesValidate and assess critical risks and opportunities related to green economy and INFF implementationDevelop lessons learned in collecting and analysing data | $ 70,000 |
| Outcome 2 | Developing of Azerbaijan’s INFF strategy |   |   |
| Output 2.1 | Developing and launching feasibility studies to assess key requirements to integrate green economic strategies into Azerbaijan’s INFF with the focus on gender | Based on output 1.4, develop a methodology for a series of feasibility studies (potential market, investment cost, trade-offs, operational risks, high-impact activities) related to: i) green economy (real economy), ii) green investments, iv) risk mitigation and management to implement and integrate green strategies into Azerbaijan’s INFF. | $ 70,000 |
| Output 2.2  | Organising thematic meetings and working groups with key stakeholders including national gender machineryto discuss and test future INFF strategy | Based on outputs 1.4, 2.1, develop technical materials to be presented to the members of the PPP platform Develop a series of technical meetings to discuss relevant data, and define potential strategies and plans to design the country’s INFFEngage with partner organisations in the development of an initial proposal of the INFF strategy and the requirements to integrate green growth in the INFFF | $ 40,000 |
| Output 2.3  | Developing a set of gender mainstreamed national capacity building programmes related to green economy, INFF development, best practices and lessons learned in green investments and the green growth | Design and launch a series of capacity building programmes to inform and validate concepts of green investments, and discussion of the requirements to integrate green growth in the INFFF | $ 40,000 |
| Output 2.4  | Designing and launch of Azerbaijan’s INFF | Work with international and national experts, as well with the members of the PPP group to develop the INFF strategy | $ 80,000 |
| Outcome 3 | INFF coordination and programme sustainability |   |   |
| Output 3.1 | Developing control systems to collect, track, measure relevant SDG data and assess the INFF performance, focusing on the green economy | Design the metrics and controls to track INFF performance and country green strategyIntegrate these metrics in the INFF portfolio system (see output 1.3) | $ 50,000 |
| Output 3.2 | Designing a risk and compliance mechanisms to manage, mitigate and avoid potential risks related to INFF implementation | Design a risk management strategy and system to avoid or mitigate potential risks;Design the proper controls to track risksIntegrate these risks in the INFF portfolio system (see output 1.3) | $ 20,000 |
| Output 3.3  | Developing capacity building programmes related to SDG and INFF risk management | Prepare relevant materials to inform and train key stakeholder and project partners in risk management, focusing on INFF implementation | $ 80,000 |
| Output 3.4 | Designing and maintain a system to track and evaluate green investments and businesses aligned with the INFF strategy | Define metrics and controls to collect and validate green investmentsIntegrate green investment metrics and controls in the INFF portfolio system (see output 1.3) | $ 40,000 |
| Output 3.5 | Showcase and promotion of Azerbaijan’s INFF and green strategy to institutional investors  | Prepare relevant information for responsible and sustainable investors;Promote Azerbaijan’s INFF strategy and investment opportunities to the investment community, targeting ESG and Impact Fund (both institutional and private investors)Evaluation and reporting | $ 130,000 |
| Outcome 4 | Gender considerations mainstreamed in INFF and within NCSSD  |    |   |
| Output 4.1 | Data and evidence are improved for informed policy and decision making to track emerging population dynamics in the pursuit of sustainable development | Conduction of a qualitative survey on situation of older people with focus on older women; In-depth analysis on young people’s educational attainment and labour market performance | $ 130,000 |
| Output 4.2 | Policy dialogue with government and non-government partners strengthened for improved understanding of inter-linkages between population trends and sustainable development. | Advocacy and raising awareness of the relevant government and non-government agencies on the implications of population growth and changing population age structure for the economic growth, gender and generational equity, consumption, public finances, taxes, savings and other important features of macro-economy.Documentation and dissemination of research findings among stakeholders, particularly duty bearers such as relevant government bodies and other development partners | $ 50,000 |
| Joint programme management |   |   |   |
| Project Management Costs |   |   | $ 100,000 |
| Total |   |   | $1,000,000 |

**2.5 Partnerships and stakeholder engagement (max 2 pages)**

The PUNOs have ongoing working relationships established with all the key stakeholders that will be involved in implementing the JP activities. UNDP will build on the existing partnership to provide the technical engagement and support to the INFF Oversight Committee members on the roll-out of the INFF.

The UN RC will lead political engagement at the highest level with the President and Members of Cabinet and will continue to advocate the INFF operationalization in Azerbaijan. The RC will play a central role in ensuring that the UN conveys a harmonized message at all policy levels with the Government and other authorities.

Bearing responsibility to monitor the implementation of this JP, the lead agency, UNDP will work in close collaboration with the UNCT to achieve the outcomes in the JP. The partner agency UNFPA will implement their activities in coordination with overall Joint workplan. On a quarterly basis, the JP progress update will be tabled and discussed during the UNCT meetings.

The regional Economic commission UNECE will be consulted for their expertise and interest while the programme is implemented. In terms of national stakeholder engagement, UNDP will work closely with:

* The National Coordination Council for Sustainable Development (NCCSD)
* State Committee for Family, Women and Children Affairs (SCFWCA)
* The Ministry of Economy of Azerbaijan Republic
* The Small and Medium Business Development Agency
* The State Oil Company of the Azerbaijan Republic (SOCAR)
* The State Oil Fund of Azerbaijan (SOFAZ)
* The Ministry of Ecology
* The Ministry of Energy

**3. Programme implementation**

**3.1 Governance and implementation arrangements (max 3 pages)**

A joint Committee will be established as the decision-making authority to provide strategic direction and management oversight for the JP. The Committee will facilitate collaboration between PUNOs and the government of Azerbaijan for the implementation of the JP, review and approve revisions of the Joint Programme document and annual work plans, review implementation progress and addresses problems, review and approves progress reports, notes budget revisions/reallocations, audit reports(as applicable).

The Committee shall be co-chaired by NCCSD and UN Resident coordinator and shall include senior programme managers from UNDP and UNFPA as well as the representatives of the public partner agencies and private sector representatives. Other members may be invited, as needed, in observer capacity. The day-to-day management of the Joint Programme will be carried out by a Joint Project Coordination Unit (PCU) under the overall guidance of the Committee.

The implementation of the Azerbaijan joint programme will be aligned with UNDP operations and strategy for Azerbaijan. UNDP will take the lead in project development and implementation together with Azerbaijan’s National Coordination Council for Sustainable Development (NCCSD). The NCCSD will sponsor PPP platform (INFF Secretariat) and it will coordinate with key stakeholders of the INFF. Within JP, the roles and responsibilities are going to be the following:

* UNDP (lead agency): Will focus on providing technical support to Azerbaijan’s INFF development. UNDP will play a management role, focusing on bringing together resources and skills to design, develop and launch the INFF, as well as working closely with key stakeholders and project partners. UNDP will work in close consultation with partner organisations to plan activities and strategic engagements.
* Azerbaijan’s National Coordination Council for Sustainable Development (NCCSD): Will lead the institutional engagements with the different public entities and government agencies. The NCCSD will be the operational arm to implement the INFF in Azerbaijan.
* UNFPA partner agency ensuring the partnership and programme is implemented as per agreement.

The NCCSD will coordinate the INFF Secretariat, together with:

* UN Resident Coordinator
* UNDP Resident Representative
* Prime Minister
* Minister of Finance
* Minister of Energy
* Representatives of the industry
* Representatives of the investment community
* Representatives of the civil society

The INFF Secretariat will meet once every three months, and whenever required by circumstances. Also, the INFF Secretariat will have a several working groups or technical committee responsible for the development and implementation of specific activities (see outcomes and output section).

**3.2 Monitoring, reporting, and evaluation**

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

* *Annual narrative progress reports*, to be provided no later than. one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
* *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme[[16]](#footnote-17); and
* *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. Joint programme will allocate resources for monitoring and evaluation in the budget.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

* Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
* A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After competition of a joint programmes, a final, *independent and gender-responsive[[17]](#footnote-18) evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The joint programme will be subjected to a joint final independent evaluation. It will be managed jointly by PUNOs as per established process for independent evaluations, including the use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group’s (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on [Joint Evaluation and relevant UNDG guidance on evaluations](http://www.uneval.org/document/detail/1620). The management and implementation of the joint evaluation will have due regard to the evaluation policies of PUNOs to ensure the requirements of those policies are met and the evaluation is conducted with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme’s stakeholders and partners. Evaluation results will be disseminated amongst government, development partners, civil society, and other stakeholders. A joint management response will be produced upon completion of the evaluation process and made publicly available on the evaluation platforms or similar of PUNOs.

**3.3 Accountability, financial management, and public disclosure**

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channelled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

**3.4 Legal context**

The legal basis for the relationships between the Government and each of the UN organizations participating to this joint programme is reflected below:

**Agency:** UNDP

**Agreement title:** Agreement between the Government of the Republic of Azerbaijan and the United Nations Development Programme

**Agreement Date:** 06.01.2001

This Joint Programme Document shall be the instrument referred to as the Project Document in Article I of the Standard Basic Assistance Agreement between the Government of the Republic of Azerbaijan and the United Nations Development Programme, signed by the parties on 6 January 2001. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

**Agency:** UNFPA

**Agreement title:** Standard Basic Assistance Agreement

**Agreement date:** 09.06.2017

UNFPA will abide by the relevant provisions of the Standard Basic Assistance Agreement between the Government of the Republic of Azerbaijan and the United Nations Development Programme, signed by both parties on 6January 2001, which also applies mutatis to the activities of UNFPA in the Republic of Azerbaijan as confirmed by the Agreement between the Government of Azerbaijan and UNFPA certified by exchange of letters dates 09 June 2017.

**D. ANNEXES**

**Annex 1. List of related initiatives**

*Complete the table below*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of initiative/project** | **Key expected results** | **Links to the joint programme** | **Lead organization** | **Other partners** | **Budget and funding source** | **Contract person**(name and email) |
| Support in Implementation of National SDG Strategy | Integrating SDGs into national development agenda  | UNAPF Outcome 2: By 2020, Azerbaijan has enhanced institutional capacities for transparent, evidence-based and gender sensitive policy formulation and implementation  | UNDP | Ministry of Economy, NCCSD | $256,000, SDG budget | Ms. Leyla Fathi, Programme Analyst |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

**Annex 2. Results Framework**

**2.1. Targets for Joint SDG Fund Results Framework**

*Set targets in the tables below, if relevant*

|  |  |
| --- | --- |
| **Indicators** | **Targets** |
| 2020 | 2021 |
| 2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope[[18]](#footnote-19)  |  |  |
| 2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale[[19]](#footnote-20)  |  |  |

**Joint SDG Fund Output 4:** Integrated financing strategies for accelerating SDG progress implemented

*(set the targets, if relevant)*

|  |  |
| --- | --- |
| **Indicators** | **Targets** |
| 2020 | 2021 |
| 4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful) |  |  |
| 4.2: #of integrated financing strategies that have been implemented with partners in lead[[20]](#footnote-21) |  |  |
| 4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational |  |  |

**Joint SDG Fund Operational Performance Indicators**

*(do not change or add – this is for information only so that teams know what they will be assessed against)*

* Level of coherence of UN in implementing programme country[[21]](#footnote-22)
* Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
* Annual % of financial delivery
* Joint programme operationally closed within original end date
* Joint programme financially closed 18 months after their operational closure
* Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
* Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”
* Joint programme featured gender results at the outcome level
* Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
* Joint programme planned for and can demonstrate positive results/effects for youth
* Joint programme considered the needs of persons with disabilities
* Joint programme made use of risk analysis in programme planning
* Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

**2.2. Joint programme Results framework**

| **Outcome/ Indicators**  | **BasaB** | **2020** **Target** | **2021 Target** | **Means of verification** | **Responsible Partners** |
| --- | --- | --- | --- | --- | --- |
|
|  |
| Outcome 1: Developing a public-private partnership platform (a governance mechanism of the INFF) to improve knowledge on SDG finance, and centralise institutional components for the INFF strategyOutcome indicators:1. Existence of relevant data on SDGs aligned with green economy
2. Existence of a methodologies and metrics to assess and validate SDG data related to green growth
3. Existence of resources and economic data on green economy and investments
 | UNDP |
| **Output 1.1**: Designing and launch a public-private partnership platform with key stakeholders to centralise information and enable technical discussions on green economy and INFF formulation |
| Output 1.1, Indicator 1: INFF Secretariat formalised | 0 |  1  |  0  | Government decree or Government statement | Azerbaijan Government |
| **Output 1.2**: Designing a methodology to collect relevant information (both financial and non-financial – ESG) for the development of Azerbaijan’s INFF |
| Output 1.2, Indicator 1: Guideline to assess SDG conditions delivered - methodologies and metrics to evaluate SDG and green economy conditions | 0 |  1  |  0  | Report | UNDP |

|  |
| --- |
| **Output 1.3**: Developing an effective system to track SDG contributions (both financial flows and social commitments) for public and private entities |
| Output 1.3, Indicator 1: SDG portfolio system delivered  | 0 |  1  |  0  | Portfolio management tool | UNDP |

|  |
| --- |
| **Output 1.4**: Mapping all financial flows (public, private, internal and external), as well as mapping social programmes aligned with the green economy |
| Output 1.4, Indicator 1: Number of researches conducted | 0 |  5  |  0  | Report | UNDP |
| Output 1.4, Indicator 2: Report on risks and opportunities to implement Azerbaijan’s INFF | 0 | 1 | 0 | Report | UNDP |

| **Outcome/ Indicators**  | **BasaB** | **2020** **Target** | **2021 Target** | **Means of verification** | **Responsible Partners** |
| --- | --- | --- | --- | --- | --- |
|
|  |
| Outcome 2: Developing of Azerbaijan’s INFF strategyOutcome indicators:1. Existence of a national financing framework aligned with SDGs
2. Existence of relevant data on SDGs aligned with green economy
3. Existence of a methodologies and metrics to assess and validate SDG data related to green growth
4. Existence of resources and economic data on green economy and investments
 | UNDP |
| **Output 2.1**: Developing and launching feasibility studies to assess key requirements to integrate green economic strategies into Azerbaijan’s INFF |
| Output 2.1, Indicator 1: I Feasibility study on green economy (both financial and corporate) | 0 |  0  |  1  | Report | UNDP |
| **Output 2.2**: Organising thematic meetings and working groups with key stakeholders to discuss and test future INFF strategy |
| Output 2.2, Indicator 1: Number of technical materials to be used for strategic meetings between INFF Secretariat and project stakeholders to evaluate SDG and green economy conditionsOutput 2.2, Indicator 2: Number of technical meetings to discuss relevant data, and define potential strategies and plans to design the country’s INFF | 00 |  00 |  5 5  | Capacity building materialsMeetings report | UNDPUNDP |
| **Output 2.3**: Developing a set of national capacity building programmes related to green economy, INFF development, best practices and lessons learned in green investments and the green growth |
| Output 2.3, Indicator 1: Number of participants trained | 0 |  0  |  150  | Report | UNDP |
| **Output 2.4**: Designing and launch of Azerbaijan’s INFF |
| Output 2.4, Indicator 1: Number of technical meetings between green investment experts and INFF Secretariat and project members | 0 |  0  |  10  | Meetings report | UNDP |
| Output 2.4, Indicator 2:Number of INFF pilot proposals to be presented to INFF Secretariat and project partners | 0 | 0 | 2 | INFF Proposals/plans | UNDP |
| Output 2.4, Indicator 3:Final INFF Strategy | 0 | 0 | 1 | Report | UNDP |

| **Outcome/ Indicators**  | **BasaB** | **2020** **Target** | **2021 Target** | **Means of verification** | **Responsible Partners** |
| --- | --- | --- | --- | --- | --- |
|
|  |
| Outcome 3: INFF coordination and programme sustainabilityOutcome indicators:1. % of foreign investment invested in green assets
2. Number of private sector organisations committed to green economy promotion
3. Number of international investors supporting green investments in Azerbaijan
4. % of national inequality
5. % of new green business in Azerbaijan
 | UNDP |
| **Output 3.1**: Developing control systems to collect, track, measure relevant SDG data and assess the INFF performance, focusing on the green economy |
| Output 3.1, Indicator 1: Deliver a control system to collect, track, measure relevant SDG data and assess the INFF performance, focus on green growth | 0 |  0  |  1  | Tool | UNDP |
| **Output 3.2**: Designing a risk and compliance mechanisms to manage, mitigate and avoid potential risks related to INFF implementation |
| Output 3.2, Indicator 1: Integrate risk management tools and controls into the INFF portfolio system (output 1.3) | 0 |  0 |  5  | Risk KPIs in portfolio system | UNDP |
| **Output 3.3**: Developing capacity building programmes related to SDG and INFF risk management |
| Output 3.3, Indicator 1: Development of capacity building materials related to risk management and performance standards for Azerbaijan’s INFF | 0 |  0  |  5  | Tools | UNDP |
| **Output 3.4**: Designing and maintain a system to track and evaluate green investments and businesses aligned with the INFF strategy |
| Output 3.4, Indicator 1: Integrate investment KPIs and green investment metrics into the INFF portfolio system (output 1.3) | 0 |  0  |  1  | Investment KPIs in portfolio system | UNDP |
| **Output 3.5**: Showcase and promotion of Azerbaijan’s INFF and green strategy to institutional investors |
| Output 3.5, Indicator 1: Deliver a communication plan to inform about INFF strategy and opportunities to responsible and sustainable investors | 0 |  0  |  1  | Communication plan | UNDP |
| Output 3.5, Indicator 2: Launch an international conference to investors and sustainable corporations | 0 | 0 | 0 | International Conference | UNDP |
| Output 3.5, Indicator 3: Report on the main impacts and lessons learned | 0 | 0 | 0 | Report | UNDP |
| **Outcome/ Indicators**  |  | **2020** **Target** | **2021 Target** | **Means of verification** | **Responsible Partners** |
|  |  |  |  |  |  |
| Outcome 4: The knowledge base with particular focus on those furthest behind is built for informed programming, planning and monitoring of sustainable development progress | UNFPA |
| **Output 4.1**: Developing control systems to collect, track, measure relevant SDG data and assess the INFF performance, focusing on the green economy |
| Output 4.1, Data and evidence is improved for informed policy and decision making to track emerging population dynamics in the pursuit of sustainable development Output 4.1, Indicator 1: Qualitative survey on situation of older people is held with particular focus on older women   Output 4.2, Indicator 2: National capacities for conduction of survey on situation of older people are strengthened  Output 4,3, Indicator3: In-depth analysis on young people’s educational attainment and labour market performance is conducted Baseline: No Target: Yes output 3.1, Indicator 1: Deliver a control system to collect, track, measure relevant SDG data and assess the INFF performance, focus on green growth | 0 |  0  |  1  | Tool | UNFPA |
| **Output 4.2**: Policy dialogue with government and non-government partners strengthened for improved understanding of inter-linkages between population trends and sustainable development.  |
| Output 4.2, Indicator 1, Number of advocacy and awareness raising activities held on the implications of population growth and changing population age structure for the economic growth   Output 4.2, Indicator 2: Research findings held in the framework of this project are disseminated among stakeholders, particularly duty bearers such as relevant government bodies and other development partners  | 0 | 0 | 1 | Tool | UNFPA |

**Annex 4. Budget and Work Plan**

**4.1 Budget per UNSDG categories**



**4.2 Budget per SDG targets**

 

**4.3 Work plan**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Outcome 1: Developing a public-private partnership platform (a governance mechanism of the INFF) to improve knowledge on SDG finance, and centralized institutional components for the INFF strategy** |   |
| **Output** | **Annual target/s** | **List of activities** | **Time frame** |  **PLANNED BUDGET**  | **PUNO/s involved** | **Implementing partner/s involved** |
| **2020** | **2021** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |  **Overall budget description**  |  **Joint SDG Fund (USD)**  |  **PUNO Contributions (USD)**  |  **Total Cost (USD)**  |
| **Output 1.1: Designing and launch a public-private partnership platform with key stakeholders to centralise information and enable technical discussions on green economy and INFF formulation;**  | **Indicator 1: INFF Secretariat formalised Target: 1** |  | INFF governance design | X |   |   |   |   |   |   |   | IC experts and trainings | 20,000 | 0 | **20,000** | UNDP | Government of Azerbaijan |
| Launch of the PPP platform (INFF Secretariat) |   | X |   |   |   |   |   |   |
| Creation and organisation of working/expert groups | X |   |   |   |   |   |   |   |
| **Output 1.2: Designing a methodology to collect relevant gender desegregated data (both financial and non-financial – ESG) for the development of Azerbaijan’s INFF** |  **Indicator 1: Guideline to assess SDG conditions delivered - methodologies and metrics to evaluate SDG and green economy conditions Target: 1**  |  | Design methodologies and approaches to collect relevant data for the design of the INFF | X |   |   |   |   |   |   |   | IC, trainings, design/testing of tool | 20,000 | 0 | **20,000** | UNDP | Government of Azerbaijan |
| Test and validate methodologies and approaches to collect gender desegregated relevant data (both financial and SDG data) |   | X |   |   |   |   |   |   |
|   | X |   |   |   |   |   |   |
| **Output 1.3: Developing an effective system to track SDG contributions (both financial flows and social commitments) for public and private entities;** | **Indicator 1: SDG portfolio system delivered Target: 1**  |  | Development of a portfolio system to track financial and SDG data |   | X | X | X |   |   |   |   | Hiring of specialized company to develop SDG monitoring and reporting toolkit, conducting workshops | 60,000 | 0 | **60,000** | UNDP | Government of Azerbaijan |
| Specific data reporting on men and women  |   | X | X | X |   |   |   |   |
|
| **Output 1.4: Mapping all financial flows (public, private, internal and external), as well as mapping social programmes aligned with the green economy. With specific focus on women's access**  | **Indicator 1: Number of researches conducted Target: 5 Indicator 2: Report on risks and opportunities to implement Azerbaijan’s INFF Target: 1**  |  | Collect relevant data in public and private sector activities |   |   | X | X | X | X | X | X | IC experts/company to collect and analyze data, validate and assess critical risks, develop lessons-learnt | 70,000 | 0 | **70,000** | UNDP | Government of Azerbaijan |
| Validate and assess critical risks and opportunities related to green economy and INFF implementation |   |   | X | X |   |   |   |   |
| Develop lessons learned in collecting and analyzing data |   |   | X | X | X | X | X | X |
| **Outcome 2: Developing of Azerbaijan’s INFF strategy** |   |
| **Output** | **Annual target/s** | **List of activities** | **Time frame** |  **PLANNED BUDGET**  | **PUNO/s involved** | **Implementing partner/s involved** |
| **2020** | **2021** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |  **Overall budget description**  |  **Joint SDG Fund (USD)**  |  **PUNO Contributions (USD)**  |  **Total Cost (USD)**  |
|  **Output 2.1: Developing and launching feasibility studies to assess key requirements to integrate green economic strategies into Azerbaijan’s INFF with the focus on gender** |  | **Indicator 1: I Feasibility study on green economy (both financial and corporate) Target: 1** | Based on output 1.4, develop a methodology for a series of feasibility studies (potential market, investment cost, trade-offs, operational risks, high-impact activities) related to: i) green economy (real economy), ii) green investments, iv) risk mitigation and management to implement and integrate green strategies into Azerbaijan’s INFF. |   |   |   | X |   |   |   |   | experts/company to develop feasibility studies methodology | 70,000 | 0 | **70,000** | UNDP | Government of Azerbaijan |
|
|
| **Output 2.2: Organizing thematic meetings and working groups with key stakeholders including national gender machinery to discuss and test future INFF strategy;** |  | **Indicator 1: Number of technical materials to be used for strategic meetings between INFF Secretariat and project stakeholders to evaluate SDG and green economy conditions Target: 5 Indicator 2: Number of technical meetings to discuss relevant data, and define potential strategies and plans to design the country’s INFF Target: 5** | Based on outputs 1.4, 2.1, develop technical materials to be presented to the members of the PPP platform  |   |   |   | X |   |   |   |   | IC expert, develop technical materials coordination meetings, translation costs | 40,000 | 0 | **40,000** | UNDP | Government of Azerbaijan |
| Develop a series of technical meetings to discuss relevant data, and define potential strategies and plans to design the country’s INFF |   |   |   | X |   |   |   |   |
| Engage with partner organizations in the development of an initial proposal of the INFF strategy and the requirements to integrate green growth in the INFFF |   |   |   |   | X |   |   |   |
| **Output 2.3: Developing a set of gender mainstreamed national capacity building programmes related to green economy, INFF development, best practices and lessons learned in green investments and the green growth;** |  | **Number of participants trained Target: 150** | Design and launch a series of capacity building programmes to inform and validate concepts of green investments, and discussion of the requirements to integrate green growth in the INFFF |   |   |   |   | X |   |   |   | IC expert, develop technical materials coordination meetings, translation costs | 40,000 | 0 | **40,000** | UNDP | Government of Azerbaijan |
|
|
| **Output 2.4: Designing and launch of Azerbaijan’s INFF.**  |  | **Indicator 1: Number of technical meetings between green investment experts and INFF Secretariat and project members Target: 10 Output 2.4, Indicator 2: Number of INFF pilot proposals to be presented to INFF Secretariat and project partners Target: 2 Indicator 3: Final INFF Strategy Target: 1** | Work with international and national experts, as well with the members of the PPP group to develop the INFF strategy |   |   |   |   | X |   |   |   | International/local experts, travel, trainings, workshops | 80,000 | 0 | **80,000** | UNDP | Government of Azerbaijan |
|
|
| **Outcome 3: INFF coordination and programme sustainability** |   |
| **Output** | **Annual target/s** | **List of activities** | **Time frame** |  **PLANNED BUDGET**  | **PUNO/s involved** | **Implementing partner/s involved** |
| **2020** | **2021** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |  **Overall budget description**  |  **Joint SDG Fund (USD)**  |  **PUNO Contributions (USD)**  |  **Total Cost (USD)**  |
| **Output 3.1: Developing control systems to collect, track, measure relevant SDG data and assess the INFF performance, focusing on the green economy;** |  | **Indicator 1: Deliver a control system to collect, track, measure relevant SDG data and assess the INFF performance, focus on green growth Targer: 1** | Design the metrics and controls to track INFF performance and country green strategy |   |   |   |   | X |   |   |   | Develop INFF tracking toolkit | 50,000 | 0 | **50,000** | UNDP | Government of Azerbaijan |
| Integrate these metrics in the INFF portfolio system (see output 1.3) |   |   |   |   |   | X |   |   |
|
| **Output 3.2: Designing a risk and compliance mechanisms to manage, mitigate and avoid potential risks related to INFF implementation;** |  | **Indicator 1: Integrate risk management tools and controls into the INFF portfolio system (output 1.3) Target: 5** | Design a risk management strategy and system to avoid or mitigate potential risks; |   |   |   |   |   | X |   |   | IC expert/company, design risk management tool | 20,000 | 0 | **20,000** | UNDP | Government of Azerbaijan |
| Design the proper controls to track risks |   |   |   |   |   | X |   |   |
| Integrate these risks in the INFF portfolio system (see output 1.3) |   |   |   |   |   | X |   |   |
| **Output 3.3: Developing capacity building programmes related to SDG and INFF risk management;** |  | **Indicator 1: Development of capacity building materials related to risk management and performance standards for Azerbaijan’s INFF Target: 5** | Prepare relevant materials to inform and train key stakeholder and project partners in risk management, focusing on INFF implementation |   |   |   |   |   | X |   |   | IC expert/company, trainings, translation costs Design capacity building materials | 80,000 | 0 | **80,000** | UNDP | Government of Azerbaijan |
|
|
| **Output 3.4: Designing and maintain a system to track and evaluate green investments and businesses aligned with the INFF strategy;** |  |  **Indicator 1: Integrate investment KPIs and green investment metrics into the INFF portfolio system (output 1.3) Target: 1** | Define metrics and controls to collect and validate green investments |   |   |   |   |   | X |   |   | IC expert/company, trainings, translation costs Design capacity building materials | 40,000 | 0 | **40,000** | UNDP | Government of Azerbaijan |
| Integrate green investment metrics and controls in the INFF portfolio system (see output 1.3) |   |   |   |   |   | X |   |   |
| # women led MSME's green capacity built  |   |   |   |   |   | X |   |   |
| **Output 3.5: Showcase and promotion of Azerbaijan’s INFF and green strategy to institutional investors** |  |  **Indicator 1: Deliver a communication plan to inform about INFF strategy and opportunities to responsible and sustainable investors Target: 1 Indicator 2: Launch an international conference to investors and sustainable corporations Indicator 3: Report on the main impacts and lessons learned** | Prepare relevant information for responsible and sustainable investors; |   |   |   |   |   |   | X |   | IC expert/company. develop communication plan | 130,000 | 0 | **130,000** | UNDP | Government of Azerbaijan |
| Promote Azerbaijan’s INFF strategy and investment opportunities to the investment community, targeting ESG and Impact Fund (both institutional and private investors) |   |   |   |   |   | X | X | X |
| Evaluation and reporting |   |   |   |   |   |   |   | X |
| **Outcome 4: Gender considerations mainstreamed in INFF and within NCSSD** |   |
| **Output** | **Annual target/s** | **List of activities** | **Time frame** |  **PLANNED BUDGET**  | **PUNO/s involved** | **Implementing partner/s involved** |
| **2020** | **2021** | **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |  **Overall budget description**  |  **Joint SDG Fund (USD)**  |  **PUNO Contributions (USD)**  |  **Total Cost (USD)**  |
| **Output 4.1: Data and evidence is improved for informed policy and decision making to track emerging population dynamics in the pursuit of sustainable development** | **Qualitative survey on situation of womenBaseline: No Target: Yes National capacities for conduction of survey on situation of women are strengthenedBaseline: No Target: Yes In-depth analysis on young people’s educational attainment and labour market performance is conductedBaseline: No Target: Yes** |  | Conduction of a qualitative survey on situation of older people with particular focus on older women; In-depth analysis on young people’s educational attainment and labour market performance |   |   | X |   |   |   |   |   | IC consultant, training, workshops | 130,000 | 0 | **130,000** | UNFPA | Government of Azerbaijan |
|
|
| **Output 4.2: Policy dialogue with government and non-government partners strengthened for improved understanding of inter-linkages between population trends and sustainable development.** | **Number of advocacy and awareness raising activities held on the implications of population growth and changing population age structure for the economic growthBaseline: 0 Target: 20 Research findings held in the framework of this project are disseminated among stakeholders, particularly duty bearers such as relevant government bodies and other development partnersBaseline: No Target: Yes**  |  | Advocacy and raising awareness of the relevant government and non-government agencies on the implications of population growth and changing population age structure for the economic growth, gender and generational equity, consumption, public finances, taxes, savings and other important features of macro-economy. |   |   |   | X | X | X | X | X | IC consultant, workshop, trainings  | 50,000 | 0 | **50,000** | UNFPA | Government of Azerbaijan |
| Documentation and dissemination of research findings among stakeholders, particularly duty bearers such as relevant government bodies and other development partners |   |   |   |   |   | X | X | X |
|
| **Joint programme management** | **List of activities** |  |  | **PUNO/s involved** | **Implementing partner/s involved** |
| **Time frame** |  **PLANNED BUDGET**  |
| **Q1** | **Q2** | **Q3** | **Q4** | **Q1** | **Q2** | **Q3** | **Q4** |  **Overall budget description**  |  **Joint SDG Fund (USD)**  |  **PUNO Contributions (USD)**  |  **Total Cost (USD)**  |
| **Project Management Costs** |  |  |   |   |   |   |   |   |   |   |   | Contractual Services – IndividualsServices to ProjectTravel IT EquipmentOffice SuppliesAudio Visual & Printing | 100,000 | 0 | **100,000** | UNFPA/UNDP 20%/80% | Government of Azerbaijan |
|   |   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |   |

**Annex 5. Risk Management Plan**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risks** | **Risk Level:** | **Likelihood:**  | **Impact:**  | **Mitigating measures** | **Responsible Org./Person** |
| **Contextual risks** |
| Increasing the cases of COVID19 in Azerbaijan | 25 | 5 | 5 | * To continue engaging with the public and private partners through telecommunicating
* To promote “Recovering better by recovering greener” concept throughout JP implementation
 | PUNOs |
| Economic downturn due to dropping oil and gas prices on the global market | 12 | 3 | 4 | * To new green modalities and boost the diversification of the economy and green growth
 | PUNOs |
| Lack of ownership on the government side to carry on the programme beyond programme timeframe | 12 | 3 | 4 | * To make government the lead in the actions and develop the existing strategies to ensure the sustainability of the project
 | PUNOs |
| Escalation of the Nagorno Karabakh conflict | 4 | 3 | 1 | * To monitor the situation and make a timely change on the activities
 | PUNOs |
| **Programmatic risks** |
| Delay of the inception of JP  | 9 | 3 | 3 | * To suggest the option of virtual launch and telecommunicate as much as needed due to the current health pandemic
 | PUNOs |
| **Institutional risks** |
| Lack of reliable data on financing SDGs required for conducting policy analysis and other activities | 9 | 3 | 3 | * To consider the use of alternative data sources (e.g., administrative data, big data)
* To benefit from another UN initiatives aimed at strengthening SDG financing
 | PUNOs |
| Lack of cooperation among the state institutions | 9 | 3 | 3 | * To establish a Steering Committee for coordination among PUNOs, private sector, and government counterparts
 | PUNOs |
| Low interest of the among the private sectors to report on SDGs | 16 | 4 | 4 | * To promote the INFF agenda among the private sector by identifying and putting on spotlight the champions
 | PUNOs |
| **Fiduciary risks** |
| Low value for money efficiency | 8 | 2 | 4 | * To put the accountability procedures in place and make them transparent for all relevant key partners
 | PUNOs |

1. IMF, Republic of Azerbaijan - Staff Report for the Article IV Consultation, 2019 [↑](#footnote-ref-2)
2. United Nations Common Country Analysis, December 2019 [↑](#footnote-ref-3)
3. [https://static.president.az/media/W1siZiIsIjIwMTgvMTIvMjIvOHd1NmkxaTUzaV9RQU5VTl9CVURDRV8ucGRmIl1d?sha=ab18e8fc118dff25](https://static.president.az/media/W1siZiIsIjIwMTgvMTIvMjIvOHd1NmkxaTUzaV9RQU5VTl9CVURDRV8ucGRmIl1d?sha=ab18e8fc118dff25%20)  [↑](#footnote-ref-4)
4. <https://sustainabledevelopment.un.org/content/documents/23411AZERBAIJAN_VNR_Report.pdf> [↑](#footnote-ref-5)
5. <https://www.az.undp.org/content/azerbaijan/en/home/presscenter/pressreleases/2018/UNDP-AZE-Private-Sector-Dialogue.html> [↑](#footnote-ref-6)
6. <http://unazerbaijan.org/en/private-sector-matters-azerbaijans-business-community-at-the-heart-of-poverty-eradication-efforts/> [↑](#footnote-ref-7)
7. Ibid [↑](#footnote-ref-8)
8. <https://data.worldbank.org/country/azerbaijan> [↑](#footnote-ref-9)
9. National currency of the Republic of Azerbaijan [↑](#footnote-ref-10)
10. <https://president.az/articles/36215> [↑](#footnote-ref-11)
11. <https://president.az/articles/34548> [↑](#footnote-ref-12)
12. <https://www.economy.gov.az/uploads/fm/files/Strategic-Plan-2017-2020.pdf> [↑](#footnote-ref-13)
13. <http://smb.gov.az/docs/ENGL%C4%B0SH/148%20F%C9%99rman%20ENG%20TAM.pdf?_t=1567153452> [↑](#footnote-ref-14)
14. <http://www.socar.az/socar/assets/documents/en/socar-annual-reports/Sustainable%20development%20report-2018.pdf> [↑](#footnote-ref-15)
15. <https://www.oilfund.az/en/fund/about/mission> [↑](#footnote-ref-16)
16. This will be the basis for release of funding for the second year of implementation. [↑](#footnote-ref-17)
17. [How to manage a gender responsive evaluation, Evaluation handbook](http://www.unwomen.org/en/digital-library/publications/2015/4/un-women-evaluation-handbook-how-to-manage-gender-responsive-evaluation), UN Women, 2015 [↑](#footnote-ref-18)
18. Additional resources mobilized for other/ additional sector /s or through new sources/means [↑](#footnote-ref-19)
19. Additional resources mobilized for the same multi-sectoral solution. [↑](#footnote-ref-20)
20. This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners [↑](#footnote-ref-21)
21. Annual survey will provide qualitative information towards this indicator. [↑](#footnote-ref-22)