United Nations Development Programme

Country: Azerbaijan
Substantive Revision to the "Modernization of Sustainability and Efficiency of ICT infrastructure and ICT services in the Republic of Azerbaijan" project
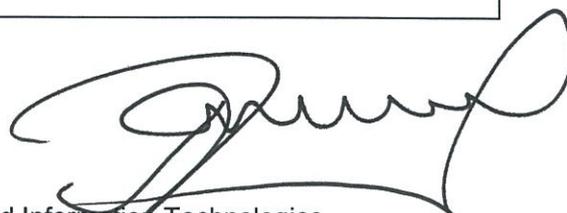
Project Title	Modernization of Sustainability and Efficiency of ICT infrastructure and ICT services in the Republic of Azerbaijan
UNDAF Outcome(s):	The State strengthens the system of governance together with the involvement of civil society and in compliance with its international commitments, with particular emphasis on vulnerable groups.
Expected CP Outcome(s): *(Those linked to the project and extracted from the CP)*	Efficiency, accountability and transparency within public administration are enhanced through capacity development of State Entities, including gender sensitive approaches.
Expected Output(s): *(Those that will result from the project)*	The Data Center that has Tier III reliability level and supports TIA-942 Telecommunication Infrastructure Standard is established in Azerbaijan.
Implementing Agency:	Ministry of Communications and Information Technologies of the Republic of Azerbaijan
Implementing Partner:	United Nations Development Programme

Brief Description

The purpose of the project revision is to expand support to the Ministry of Communications and Information Technologies in establishment of the first Data Center in Azerbaijan. The Data Center will guarantee information security of telecommunication operators, businesses and IT companies. The Data center will help Azerbaijan to turn into a transit hub of information exchange between Europe and Asia.

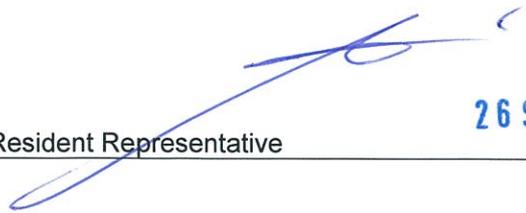|			
Programme Period:	2011-2015	Total resources required	3,824,000 USD
Key Result Area (Strategic Plan): Fostering Democratic Governance		Total allocated resources:	
		• Regular	
		• Other:	
Atlas Award ID:	00075577	○ UNDP	
		○ Government	3,824,000 USD
Start date:	27.09.2013		
End Date:	31.06.2014		
		Unfunded budget:	n/a
PAC Meeting Date:	18 Sep 2013		
Management Arrangements:	NEX with support services	In-kind Contributions:	n/a

06 OCT 2013

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

26 SEP 2013

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

I.   Situation Analysis

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

Government of Azerbaijan pays special attention to the development of information technologies. Azerbaijan's National ICT Strategy (2003-2012) has promoted a widening use of ICT tools to raise efficiency and transparency in the public sector, and recognizes innovation as one of the underlying principles for ICT application. Azerbaijan has caught up and, in a few instances, surpassed the Upper Middle Income Countries average, already moving close to the high-income country values. It is imperative that Azerbaijan builds upon this momentum by making it more sustainable through development of a comprehensive ICT strategy, a broader access through country-wide ICT infrastructure, promotion of ICT integration in business, and greater use of ICTs for social and economic impact.

In June 2013 Ministry of Communications & IT proposed initiative on establishment of the first Data Center in Azerbaijan. The Data center is a facility used to house computer systems and associated components, such as telecommunications and storage systems, redundant or backup power supplies, redundant data communications connections, environmental controls and security devices. Thus business and government organizations are scrutinizing data centers to a higher degree in areas such as security, availability, environmental impact and particularly ICT development. Also, it will enable the international operators to implement trafficking and data exchange operations by using resources of the Center. One of main purposes of the Data Center is to turn Azerbaijan into a world class Information Hub.

In addition the establishment of the first Data Center in Azerbaijan will be deploying an IP based ISS as a demarcation point for International incoming and outgoing voice traffic at first, and then for using this infrastructure to give telecommunication services to the residential and business customer segment. Today in Azerbaijan, whole international incoming (from abroad to Azerbaijan) and outgoing (from Azerbaijan to abroad) voice traffic is carried over a TDM based Alcatel System 12 Exchange (S12) located in AzTelekom's building. Since the outdated S12 is only capable of carrying the international incoming and outgoing voice traffic, no value added voice or multimedia services can be provided to the customers. The establishment of the first Data Center in Azerbaijan is planned to replace the whole S12 platform and to be located in a new, international standards based (TIA-942) datacenter building.

II.   Strategy

The Project component contributes to the achievement of the objectives set out in the United Nations Development Assistance Framework (UNDAF) for Azerbaijan and will be implemented within the UNDP Country Program for Azerbaijan for the period 2011-2015. The project falls within the CPD Outcome 1.2 "Efficiency, accountability and transparency within public administration are enhanced through capacity development of State Entities, including gender sensitive approaches."

UNDP Comparative Advantage: UNDP Azerbaijan has a well-deserved reputation as a long-time supporter of a number of ICT-for-Development projects in Azerbaijan and has access to its large pool of global expertise world-wide. Its approach emphasizes the role modern technologies should and can play in increasing access to ICTs and its use in order to raise government efficiency and transparency, deliver better and new public services, foster citizen participation in governance, and enable businesses and entrepreneurs to raise productivity and economic efficiency.

Creation of the first Data Center that has TIER III reliability level and supports TIA-942 Telecommunication Infrastructure Standard will enable international operators to implement trafficking and data exchange operations by using resources of the Center. The implementation of this infrastructure component that combines these technological innovations will have an impact on economic growth turning Azerbaijan into a transit hub of information exchange between Europe and Asia.

Running the Data Center, which will be the most secure data storage centre in the region, particularly in Caucasus, provides great opportunities for strengthening competitiveness of Azerbaijan on regional and international levels. Taking into account the establishment of Eurasian Connectivity Alliance (EurACA) in the nearest future, the new Data Centre with TIER III level will create all necessary technical conditions for provision of new ICT services from next year. Establishment of Data Center will be an important breakthrough in ICT field of Azerbaijan and will positively affect country's economic development including creation of new workplaces. Along with stressing the great importance of the information and communication technologies for country's economic growth and social development, the Data Center will contribute to elimination of "digital divide" in the region. Since the EurACA will provide overwhelming assistance for implementation of the Super Highway Project, the establishment of Data Center is an evidence of support to this initiative. The Data Center will provide services both to the member countries of EurACA and all other interested countries. Following the use of Data Center services the EurACA will be able to share its working experience with interested countries and recommend the capacities and resources of Azerbaijan's Data Center.

The project component will be realizing through the following activities:

- Conduct situation analysis, needs assessment and generalize results and prepare and submit report to the MCIT;
- Study and propose best practices of leading counties;
- Prepare specifications for procurement of equipment for establishment of the Data Center and conduct tender process;

- Raise awareness of population, telecommunication operators, businesses, and IT companies in the republic and in the region on the usage of Data Center;
- Develop an Action Plan of management and operation of the Data Center;

Results and Resources Framework

Intended Outcome as stated in the Country Program Results and Resource Framework: Efficiency, accountability and transparency within public administration are enhanced through capacity development of State Entities, including gender sensitive approaches.

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:
Indicator: Indicator: 3.2.1 The number of information technology innovations implemented contributing to increased transparency in public administration
Baseline: 2009: 2

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

Partnership Strategy:
Implementing Partner: Ministry of Communications and Information Technologies (MCIT)
Responsible parties: UNDP, Ministry of Communications and Information Technologies (International Relations and Accounting Center)

Project title and ID (ATLAS Award ID): Modernization of Sustainability and Efficiency of ICT infrastructure and ICT services in the Republic of Azerbaijan, 00075577

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output: The Data Center that has Tier III reliability level and supports TIA-942 Telecommunication Infrastructure Standard is established in Azerbaijan. **Baseline 1.1** There is no Data Center in Azerbaijan that has Tier III reliability level and supports TIA-942 Telecommunication Infrastructure Standard. **Indicator 1.1:** a) Specifications for establishment of Data center developed and tender announced – Yes/No; b) The Data Center that has Tier III reliability level and supports TIA-942 Telecommunication Infrastructure Standard - Yes/No;	a) Specifications are developed and large scale tender is announced (2013) b) The Data Center is established (2014)	**Activity Result 1.1** The Data Center that has Tier III reliability level and supports TIA-942 Telecommunication Infrastructure Standard is established and provides services. **Actions:** • Conduct situation analysis, needs assessment and generalize results and prepare and submit report to the MCIT; • Study and propose best practices of leading counties; • Prepare specifications for procurement of equipment for establishment of the Data Center and conduct tender process; • Raise awareness of population, telecommunication operators, businesses, and IT companies in the republic and in the region on the usage of Data Center; • Develop an Action Plan of management and operation of the Data Center;	MoCIT and UNDP	• Contracts • Information Technologies Equipment • Miscellaneous; • Facilities and Administration MoCIT: 3,824,000 USD Total: 3,824,000 USD

Annual Work Plan Year: 2013- 2014

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIME FRAME			RESPONSIBLE PARTY	PLANNED BUDGET			
And baseline, indicators including annual targets	List activity results and associated actions	Q4' 2013	Q1, 2014	Q2-2014		Funding Source	Budget description	Budget account	Amount USD
Output 1 **Baseline 1.1** There is no Data Center in Azerbaijan that has Tier III reliability level and supports TIA-942 Telecommunication on Infrastructure Standard.	**Activity result:** The Data Center that has Tier III reliability level and supports TIA-942 Telecommunication Infrastructure Standard is established and provides services.				MCIT, UNDP	MCIT	Contracts; Information Technology Equipment; Miscellaneous; Facilities and Administration		3,824,000 USD
Indicator 1.1: a) Specifications for establishment of Data center developed and tender announced – Yes/No;	*Actions:* • Conduct situation analysis, needs assessment and generalize results and prepare and submit report to the MCIT;	x							
	• Study and propose best practices of leading counties;	x						GOV 71400 - Contractual Services	10,000 USD
	• Prepare specifications for procurement of equipment for establishment of the Data Center and conduct tender process;	x	x					GOV 72800 – Information technology equipment	3,602,800 USD
b) The Data Center that has Tier III reliability level and supports TIA-942 Telecommunicati on Infrastructure Standard - Yes/No;	• Raise awareness of population, telecommunication operators, businesses, and IT companies in the republic and in the region on the usage of Data Center;							GOV 74500 - Miscellaneous	20,000 USD
	• Develop an Action Plan of management and operation of the Data Center;			x				GOV 75100 - General Management Support	191,200 USD
									3,824,000 USD