

Evaluation Brief: Azerbaijan

Azerbaijan is an upper-middle-income country that depends on oil and gas, which constitute 36 percent of Gross Domestic Product. The distribution of wealth is uneven, particularly between rural and urban areas. Internally displaced people, women and people with disabilities are particularly vulnerable, with several challenges preventing them from fully enjoying their socio-economic rights. Civil service reform has seen the effectiveness of the administration improve steadily, however the reverse is true for freedom of expression and participation. Azerbaijan's exposure to environmental degradation and natural hazards, exacerbated by climate change, represents another barrier to inclusive and sustainable growth.

The United Nations Development Programme (UNDP) country programme closely aligned with the national strategy, Vision 2020, and the United Nations-Azerbaijan Partnership Framework. The collaboration strategy revolved around three priority areas: 1) Economic diversification and inclusive, sustainable growth; 2) Enhanced institutional capacity for the development of equitable development policies; and 3) Improving environmental management and resilience to natural and human-induced disasters.

The Independent Country Programme Evaluation covered UNDP's development work in Azerbaijan from 2016 to 2018.

Findings and conclusions

UNDP's close relationship with national institutions, combined with its prompt response to needs and an efficient procurement system, made it a respected partner in implementing important initiatives in support of national priorities. UNDP's ties with national institutions were strengthened over the past few years. When the tightened fiscal discipline imposed by the 2015 oil crisis relaxed, the government re-started its

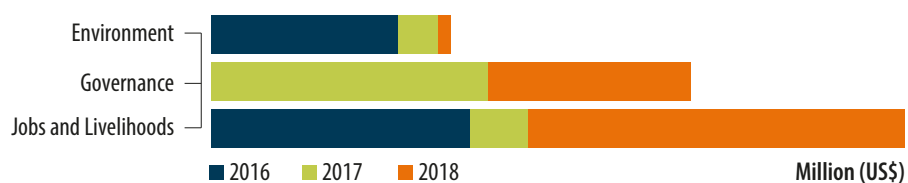
contribution through cost-sharing. UNDP played an important role in promoting the work of civil society organizations with vulnerable populations.

Support for women, youth and people with disabilities was a strong theme of the inclusive growth portfolio. UNDP contributed to enhancing employment opportunities and reducing disparities between urban and rural areas. UNDP's involvement at the policy level in this area was more limited, and planned outputs to improve data availability to implement labour and social protection policies were not achieved. UNDP is well positioned to implement activities on the ground, which few organizations can do at the same scale. However, the extent to which UNDP can raise its profile depends on its ability to formulate a clear strategy based on a sound theory of change and an articulated value proposition.

UNDP's prolonged interventions on border management, mine action and e-governance contributed to strengthening institutions' capacities. UNDP's advocacy was important in establishing the National Coordinating Council for Sustainable Development and supporting the identification of priority areas for achieving the Sustainable Development Goals. UNDP's engagement on public administration strengthening and service delivery was limited to a few relatively small projects. The country office (CO) did not engage in key aspects of good governance, such as access to justice and accountability, given the limited space for international organizations in these areas.

UNDP contributed to conserving natural resources through preserving biodiversity and promoting native crops. It also contributed to strengthening livelihoods of local populations and reducing vulnerability to disasters. Greenhouse gas emissions were monitored, and nationally appropriate mitigation actions implemented in the oil and gas sectors. These need to be scaled up.

FIGURE 1: Budget for new projects 2016–2018



The sustainability of UNDP’s work was promoted by working through existing national structures. In some cases, the prospects of new institutions seemed less certain, due to the short nature of the support provided

and the dependence on future grants for the continuation of activities. Engagement at sub-national level was significant, although activities were largely fragmented, with fewer opportunities for significant impact.

Recommendations

- RECOMMENDATION 1.** UNDP should develop its next Country Programme Document based on theories of change that, starting from a clear definition of the problem, define its contribution vis-à-vis that of other development partners. The CO should move away from priority-area-based theories of change towards issues-based theories of change, to which different portfolios can contribute and where government and development partner inputs are reflected.
- RECOMMENDATION 2.** UNDP should ensure further synergies among its areas of intervention. Where feasible, the CO should seek to integrate the management of projects, especially smaller projects, to further increase efficiency and strengthen results.
- RECOMMENDATION 3.** UNDP should reassess its engagement at sub-national level, aiming to identify opportunities for further integration of activities into a more cohesive framework.
- RECOMMENDATION 4.** UNDP should pay greater attention to the sustainability of the structures its interventions help create. The CO should elaborate sustainability plans and exit strategies for the structures it establishes, including specific measures that ensure the replication, scale up and institutionalization of piloted activities. Where feasible, UNDP should ground its activities more firmly in market-based mechanisms, such as micro-finance or banking institutions.
- RECOMMENDATION 5.** UNDP should develop a more solid, long-term resource mobilization strategy which articulates funding diversification objectives and identifies appropriate actions and partners.
- RECOMMENDATION 6.** UNDP should significantly strengthen its monitoring and evaluation (M&E) capacities. The CO should formulate clear programme outcome-level indicators around issues-based theories of change. These indicators would be tracked through projects. Each project should include a sound results and resources framework, with indicators at both output and outcome level. Indicator-related information should be included in a dashboard that the UNDP resident representative regularly discusses with programme analysts. Tools to track the sustainability of its interventions, such as the absorption of training for national partners or the performance of pilots over time, should be developed. M&E capacities should be enhanced through a dedicated staff officer and/or M&E training for programme and project officers.
- RECOMMENDATION 7.** UNDP should continue strengthening its work around gender and women’s empowerment and develop a gender strategy outlining the CO’s opportunities and approaches, covering both organizational and programmatic aspects.
- RECOMMENDATION 8.** UNDP should further promote innovation across its portfolio by using technology and behavioural research to promote ground-level social and environmental change. The focus should be on the realization of practical innovations that address specific social or environmental problems, possibly linked to existing project initiatives.