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**UNDP Azerbaijan**

**Outcome Evaluation Report**

**Good Governance (GG) Programme 2005-2012**

**Outcome 3.2 “Efficiency, accountability and transparency in public administration enhanced through capacity development of State entities, including gender sensitive approaches”**

**Outcome 2.1 “Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes”**

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# Abbreviations

ACS – Anti-Corruption Strategy

AWP – Annual Work Plans

CP – Country Programme

CSC – Civil Service Commission

HQ – Headquarters

ERDMS – Electronic Records and Document Management System

EU – European Union

G2B services – government-to-business services (computer systems/ e-government solutions aimed at servicing organizational internal needs)

G2C services – government-to-citizens services (computer systems/ e-government solutions aimed at servicing individual citizens’ needs)

G2G services – government-to-government services (computer systems/ e-government solutions aimed at servicing business needs)

ICT – Information and Communications Technology

LAN – Local Area Network

MFA – Ministry of Foreign Affairs

MIS – Management Information System

RRF – Results and Resources Framework

SSPF – State Social Protection Fund

SCC – State Customs Committee

UNDAF – United Nations Development Assistance Framework

WB – World Bank

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# Executive Summary

## Evaluation scope

This Report presents findings of the evaluation of nominally three development outcomes as part of UNDP Azerbaijan Good Governance (GG) Programme implemented during the previous (2005-2010) and current (2011-2015) programme periods. The GG Programme’s aim is to support “the Government of Azerbaijan in developing strong, transparent and accountable public institutions, staffed by professional civil servants and guided by appropriate laws”.

These stated outcomes are:

1. Expected outcome 2.3 for 2005-2010: ICT enhances efficiency, transparency and accountability in the public sector
2. Expected outcome 2.1 for 2011-2015: Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes
3. Expected outcome 3.2 for 2011-2015: Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches

As required by the assignment’s TOR, the evaluator has assessed the relevance and contribution of the GG Programme activities to achieving the above Country Programme outcomes by assessing the efficacy of the programme strategies employed to contribute to the accomplishment of the planned outputs.

Seven projects fall under the outcomes. These are:

1. Establishment and Development of the State Register of Population of the Republic of Azerbaijan (short title - Population Register, started during programme period 2005-2010)
2. Capacity Building for the State Social Protection Fund (short title – Social Security and pension reform, started during programme period 2005-2010)
3. Good Governance through Civil Service Reform (short title – Civil Service Reform, started during programme period 2005-2010)
4. Modernizations of Customs Service in the Republic of Azerbaijan (short title - Customs service modernization, started during programme period 2005-2010)
5. National Capacity Building Programme for the Ministry of Foreign Affairs of the Republic of Azerbaijan (short title – Support to MFA, started during programme period 2005-2010)
6. Establishment of Internet Governance Forum (IGF) Secretariat sub-project within the framework of “National e-Governance Network Initiative” project (short title - Internet Governance Forum, started during programme period 2011-2015)
7. Youth Participation in Decision Making and Policy Implementation (short title – Youth Participation, started during programme period 2011-2015)

## Summary of general findings, recommendations, lessons learned

All evaluated projects (outputs) are found to be fully relevant to the respective outcome, mostly that was an outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches” (for programme period 2011-2015) and outcome 2.3 “ICT enhances efficiency, transparency and accountability in the public sector” (for programme period 2005-2010).

All projects have made good progress towards their goals; no filatures or deviations from the stated objective have been found

The main influencing factor of the project successes has been a close partnership with the respective government agencies in charge of project implementation. That has been evidenced by a very substantial amount of financial resources mobilized from the Government side – nearly 26 million US dollars, or 84% of the entire GG budget. This is a highly commendable and Best Practice achievement. UNDP enjoys high reputation as a development partner and is ready to entrust UNDP with its financial means. It is also a reflection of UNDP’s rules and procedures (under NEX regime).

It is advised nonetheless that UNDP expands its partnership base beyond government partners and cooperates more with civil society and business community. This is already happening as evidenced by the Youth Participation project and needs to be expanded.

More attention needs to be given to gender dimension (as it has been the case with the Civil Service project) when addressing public services, which are recommended to use a citizen-centric approach to better respond to human development agenda.

UNDP and the Government have been very successful in exploiting development benefits of modern ICTs. The use of e-governance solutions has been exemplarity in most projects, especially in modernizing such key agencies as the State Social Protection Fund, MFA, State Customs Committee, State Civil Service Commission, Ministry of Justice (State Registry).

. These projects deserve to be named Best Practices internationally.

The transformation of the above entities has had a major positive effect on the efficiency of their administrations and on human development in broader sense. In many cases a need for administrative efficiency has been creatively combined with transparency and accountability, as required by the CP outcome. The project achievements demonstrate that the truly effective public administrations are also open and accountable. This should be commended. It is also advice to explore deeper an interdependence between these two sides of good governance.

The evaluation is very impressed with the high professionalism of Project Managers, whose contribution to the project successes cannot be overestimated. All Project Managers have commended UNDP’s support in general and the role of respective Programme Advisors in particular.

It is advised that, ideally, all projects continue their operations, even though many of them ended in 2012, to capitalize on their successes. The identification of specific directions should be done in a consultative manner with all major stakeholders. This task won’t be an easy one, given that until now the Government has been ready to cost-share its resources as long as UNDP provides its financial input as well, on average 1 US dollar against 5-10 dollars from the Government side.

All evaluated projects have used their resources effectively and efficiently. Strong impacts are felt not only by the participating state entities, but also its clients, including citizens.

Many results produced by the projects are replicable and scalable, with a substantial value for knowledge transfer and exchange internationally.

The above means the expansion of the partnership base, on the one hand, for example, by working more closely with business community, and by identifying new programme themes and implementation tools, on the other; the latter may include even deeper and wider use of e-governance solutions, including social media. That can be especially effective in such areas as local governance where the role of e-services for human development is not utilized adequately. Democratic participation via ICT means and digital literacy are the fields where the use of digital technologies can be both effective and attractive for potential donors. Specific recommendations are given in the sections devoted to individual projects.

UNDP is advised to replicate and expand its experience in using its experience accumulated in deploying large-scale computer systems, along with relevant software applications. That can be done by targeting other sectors such as, for example, agricultural or health care services which are vital for the well-being of people and entrepreneurs. In addition, UNDP can help the government in devising and piloting sector-specific e-Governance strategies, beyond addressing organizational changes.

UNDP is strongly recommended to build on the Internet Governance Forum held in Baku in November 2012 by, for example, creating a national Internet Governance Forum as a multi-stakeholder platform for discussion, guidance and dialogue.

UNDP is encouraged to develop and apply a national interoperability strategy (supported by a number of respective functional interoperability frameworks) so as to ensure an effective and secure exchange of information and protect personal data.

When deploying e-governance solutions UNDP is advised to focus stronger on the front-office transformation by identifying those citizens’ needs where the impact of new e-services will be most impactful. Special Guidelines can be developed in this respect for the use across the Government and beyond. The field of Open Data and re-use of public sector information – for example, within the Open Government Partnership (OGP) obligations can be useful to explore a new generation of e-services in this regard.

## Summary of project-specific findings, recommendations and lessons learned

**Establishment and Development of the State Register of Population of the Republic of Azerbaijan**

*Findings*

* Population Register has fundamentally improved collection, processing, storing and sharing socio-demographic statistics and personal data
* Modernization of business and management processes significantly contribution to the outcome objectives.
* The Ministry of Justice and SSPF were right to be cautions in sharing personal data with other state entities without clear inter-agency exchange and access control rules
* Deserves to be named a Good Practice for broader dissemination and replication

*Recommendations*

* Prioritize personal data protection and information security
* Contribute to inter-agency interoperability of population and personal data
* Prepare case studies with lessons learned on ICI-enabled change management in administrative practices for knowledge sharing
* Focus more on front-office services to citizens and businesses
* Explore an Open Data and the (re)use of public sector information
* Broaden partnership base including civil society, business community and UN agencies

*Lessons learned*

* Special care is needed to handle and exchange personal data
* Absence of clear inter-agency interoperability rules is an obstacle for further progress

**Capacity Building for the State Social Protection Fund**

*Key findings*

* e-Government solutions are paramount for successful public sector modernization
* Excellent example of addressing transparency and accountability of the state entity by raising its administrative efficiency and service quality
* ICT-led modernization improves the quality and satisfaction of jobs n the public sector
* Minimization of face-to-face contact prevents potential fraud and abuse
* UNDP enjoys high degree of trust in the Government for its ability to deliver and recruit professionals .
* Deserves to be named a Good Practice for broader dissemination and replication to demonstrate how administrative efficiency is interlined with accountability and transparency

*Key recommendations*

* Capitalize on project’s success and continue by exploring new direction of people-centric services
* Codify project experience and accumulated knowledge in the form of case studies for the use by other state entities.
* Prioritize personal data protection and information security
* Contribute to inter-agency interoperability of population and personal data
* Expand online services to citizens and businesses
* Explore an Open Data and the (re)use of public sector information
* Broaden partnership base including civil society, business community and UN agencies
* Address stronger gender dimension

*Key lessons learned*

* Transparency and accountability are preconditions to administrative efficiency of high public value
* Professional project management is key to success
* Successful projects involving the deployment of large-scale technological infrastructure and solutions require time and consistency in implementation

**Establishment of Internet Governance Forum (IGF) Secretariat**

*Key findings*

* The success of the Baku IGF Forum should be viewed in a broader context of expanding Azerbaijan’s capacity to manage digital technology for good governance aims in line with the CP development outcome, beyond event organization, which is a serious task in its own right that was delivered perfectly (evidenced by Thank You letters).
* The focus on the complex relationship between the internet and human development (improving the status of vulnerable groups) has been the right strategy to organize the Forum and make UNDP visible.

*Key recommendations*

* Capitalize on the IGF success by creating Azerbaijan’s Internet Governance Forum as a platform for multi-stakeholder dialogue on ICT policies and implementation practices to localise global agenda issues.
* Possible topic for dialogue may include the establishment of an initiative to improve digital literacy in rural areas and small towns, especially in disadvantaged communities (e.g. using a *Living Lab* concept[[1]](#footnote-1) to bring ICT benefits closer to the grassroots level.

*Key lessons learned*

* Need to plan post-event follow-up from the start

**Good Governance through Civil Service Reform**

*Key findings*

* An impactful value-for-money project
* Availability of an effective, transparent and objective system of recruitment and performance appraisal of civil servants, including in ethical behaviour
* One of the region’s best recruitment systems in terms of fairness and transparency
* Online registration of applicants, participation of independent experts in assessment panels and the use of video recordings ensure greater objectivity, fairness and credibility of appraisal outcome
* Communicating the results of the work of the State Civil Service Commission through awareness campaigns, round tables with and for civil society, and trainings in the regions have been important for building its public credibility
* Availability of the excellent research report on the state of civil service and its gender dimension; deserves a name of Good Practice.

*Key recommendations*

* Capitalize on project’s success by investing in stronger online presence of the competency appraisal system (e.g. testing) provided also to third parties on demand, including for other countries in other languages
* Disseminate wider Azerbaijan’s best practice experience in the field of public sector recruitment regionally and internationally, including consider possibilities of creating an Excellent Centre.

*Key lessons learned*

* Successful cooperation with UNDP has been catalytic and reputational to attract other donors’ funding (EU, Germany).
* Critical importance to communicate project results
* Women are active in applying for senior positions in public offices
* Efficiency in the public sector depends on its transparency and accountability, and vice versa
* Transparency prevents possible corruption through minimized face-to-face interaction during competency assessment tests of applicants

**National Capacity Building Programme for the Ministry of Foreign Affairs**

*Key findings*

* A reliable, secure and cost-efficient communication system connects almost all embassies, training facility created to train diplomatic staff while the intranet allows managing electronically financial and human resources information.
* The Ministry has become more open by cooperating with educational institutions and providing opportunities for internships

*Key recommendations*

* Consider possibilities to further the Ministry’s openness by providing a discussion platform for the public on foreign policy

*Key lessons learned*

* The importance of having access to Best Practices early at the project start has a catalytic and impactful effect

**Modernizations of Customs Service in the Republic of Azerbaijan**

*Key findings*

* The modernization of customs operations such as the introduction of a One Window approach has brought considerable time-saving benefits for cargo carriers whose documents are processed times faster
* The sector-wide ICT strategy, optimization of information flows and introduction of international standards were the backbone of the customs service modernization in general and in the creation of two Target Centres able to monitor the situation at border check-points in real time

*Key recommendations*

* Provide more online client oriented services and increase the accountability of customs operations by incorporating citizens’ feedback on customs performance into decision making
* Key lessons learned
* Consistency of support (through a phased approach) and the sufficient amount of time to implement project objectives are needed to achieve desired impacts

**Youth Participation in Decision Making and Policy Implementation**

*Key findings*

* Innovative project, excellent potential to map out new areas of UNDP programming in the field of democratic participation

*Key recommendations*

* Continue using pro-actively social media for project implementation and coordination
* Explore opportunities for web-journalism from a user-generated content (UGC) perspective
* Develop Roadmaps and Guidelines for organizing public discussions and citizen’s web-journalism

*Key lessons learned*

* Use of social media is an enabling factor for engaging the youth

# Introduction & Purpose

This Report presents findings of the evaluation of nominally three development outcomes as part of UNDP Azerbaijan Good Governance (GG) Programme implemented during the previous (2005-2010) and current (2011-2015) programme periods. The GG Programme’s aim is to support “the Government of Azerbaijan in developing strong, transparent and accountable public institutions, staffed by professional civil servants and guided by appropriate laws”.

These outcomes are:

1. Expected outcome 2.3 for 2005-2010: ICT enhances efficiency, transparency and accountability in the public sector
2. Expected outcome 2.1 for 2011-2015: Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes
3. Expected outcome 3.2 for 2011-2015: Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches

The corresponding UNDAF outcomes are as follows:

* For programme period 2005-2010: UNDAF Outcome 2 The State improves its delivery of services and its protection of rights with the involvement of civil society and in compliance with its international commitments – governs the CP outcome 2.3 (ICT enhances efficiency, transparency and accountability in the public sector)
* For programme period 2011-2015: UNDAF Outcome 3 By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups – governs CO outcomes 2.1 (Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes) and 3.2 (Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches)

The CP outcome 3.2 Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches set for the period 2011-2015 is *de facto* the continuation of the previous outcome 2.3 ICT enhances efficiency, transparency and accountability in the public sector. Both address the issue of the public administration reform in the direction of greater efficiency and accountability by building relevant capacities of state agencies. For simplicity and practical reasons it has been assumed that these two outcomes are considered as one, for it is impossible to modernize public administration without the use of ICTs in today’s technology-driven world.

One more CP outcome – 2.1 Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes – also falls under this evaluation deals with participatory governance and thus transcends a narrower domain of public sector management (of state institutions in this context).

As specified in the assignment’s TOR, the evaluation aim has been to assess the relevance and contribution of the GG Programme activities to achieving the above Country Programme outcomes by assessing the efficacy of the programme strategies employed to contribute to the accomplishment of the planned outputs.

Seven projects fall under the outcomes. These are:

1. Population Register (started during programme period 2005-2010)
2. Social security and pension reform (started during programme period 2005-2010)
3. Civil service reform (started during programme period 2005-2010)
4. Customs service modernization (started during programme period 2005-2010)
5. Support to MFA (started during programme period 2005-2010)
6. Internet Governance Forum (started during programme period 2011-2015)
7. Youth participation (started during programme period 2011-2015)

The findings are represented at three main analytical levels: (i) Outcome, (ii) Output and Activities, (iii) Resources, partnerships, management level. Recommendations and lessons learnt to dissect the factors that have influenced the progress towards the outcomes conclude the evaluation analysis.

Whereas the evaluator has reviewed individual projects in terms of the accomplishment of their outputs, the main purpose has been to assess the cumulative effect of project impacts towards expected CP and UNDAF outcomes. In doing so, the evaluator has benefited from and used the previously undertaken evaluations of two projects: *Establishment and Development of the State Register of Population of the Republic of Azerbaijan* (2006 – 2012) and *Capacity Building for the State Social Protection fund Project* (2003 – 2011).

# Evaluation methodology

The evaluation Terms of Reference (attached as Annex 1) has been the main guiding document of this assignment. According to the TOR, the evaluation sought answers to the following questions:

* At the *Outcome level*:
* Are the stated outcome and indicators appropriate for the development situation in Azerbaijan?
* What and how much progress has been made towards the achievement of the outcome (including contributing factors and constraints)?
* What are the main factors (positive and negative) that affect achievement of the outcome?
* Are UNDP’s contributions to the achievement of the outcome appropriate, sufficient, effective and sustainable?
* Are the monitoring indicators appropriate to measure achievement of the outcome or is there a need for improvement?
* At the *Output* *level*:
* Are the UNDP outputs relevant to the outcome?
* What progress was made in terms of the achievement of UNDP outputs (including an analysis of both project activities and soft-assistance activities)?
* What are the key outputs that have been or that will most likely be produced by UNDP to contribute to the outcome?
* What are the factors (positive and negative) that affect the accomplishment of the outputs?
* At the *Output-Outcome interconnection level:*
* Can UNDP’s outputs or other interventions be credibly linked to the achievement of the outcome (including the key outputs, projects and soft assistance that contributed to the outcome)?
* What has been the role of UNDP soft assistance activities in helping achieve the outcome?
* In the thematic domain of *Resources, partnerships and management analysis:*
* Is UNDP’s resource mobilization strategy in this field appropriate and likely to be effective in achieving the outcome?
* Is UNDP’s partnership strategy in this field appropriate and likely to be effective in achieving the outcome?
* Are UNDP’s management structures and working methods appropriate and likely to be effective in achieving the outcome?
* Overall, assessment of the scope, relevance, efficiency and sustainability of UNDP’s resource mobilization, partnership and management arrangements in achieving the outcome
* In the thematic domain of *Recommendations and lessons learnt:*
* Based on the above analysis, how should UNDP adjust its programming, partnership arrangements, resource mobilization strategies, working methods and/or management structures to ensure that the proposed outcome is fully achieved by the end of the CP period?
* Provide recommendations on how the programme can most effectively continue to support the Government and civil society in increasing decent employment in private/non-oil sector, with emphasis on vulnerable people, in a medium to long-term perspective
* Assess possible links to other existing UNDP programmes and those of other UN Agencies
* Summarize the main lessons from the outcome evaluation that may have universal validity

The UNDP Handbook on *Planning, Monitoring and Evaluating for Development Results*, particularly Chapter 5 *Evaluating for Results* has been the key guiding methodological document. In particular, the evaluator sought to obtain and assess the following types of information, namely:

* Information on the relevance of intended outputs or outcomes and validity of the results framework and results
* Information about the status of an outcome and factors affecting it
* Information about the effectiveness of the UNDP partnership strategy
* Information about the status of project implementation
* Information on the cost of an initiative relative to the observed benefits
* Information about lessons learned

The main method of information collection has been semi-structured interviews with the project managers/staff and government officials, studying project-related documentation (project documents, budgets, annual work plans, progress reports, other related materials), viewing relevant web pages. Each interview lasted on average for one hour and was supplemented in certain cases by the demonstration of tangible project results, such as software solutions and their use by project beneficiaries. The list of persons met as attached as Annex 2

Given the role of modern ICTs in reforming the public sector, special emphasis has been placed on assessing the use and role of e-governance solutions in contributing to the development outcomes.

The evaluator has used the UNDP *e-Governance Assessment Methodology*. It has been applied to evaluate activities related to the use of ICTs in the public sector. The main goal has been to assess (and measure when applicable and feasible) the value delivered by e-governance solutions to different stakeholders and beneficiaries, as well as the management effectiveness of exploiting ICTs. The following evaluation criteria have been used to this end:

* Relevance and fulfilment of project goals
* Efficiency and effectiveness of the resources spent, i.e. how inputs were converted into outputs in both quantitative and qualitative terms
* Impacts experienced by beneficiaries and stakeholders
* Sustainability, including follow-up measures and institutionalization
* Replicability and scalability, including the value for knowledge transfer and exchange

To sum up the evaluation findings, the following evaluation scales have been applied, whenever possible, to measure progress made towards achieving project objectives:

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

# Evaluation results

## Findings at Outcome level

As mentioned in the Introduction section, the current Good Governance programme – formulated for the period 2011-2015 – is firmly based on the achievements of the previous programme implemented during 2005-2010 and is its direct continuation for all projects except two (Youth Participation and Internet Governance Forum).

All in all, five development outcomes have guided the GG programme since 2005 (at least) – two UNDAF and three Country Programme outcomes. For practical and substantive reasons, the primary attention in this evaluation has been given to the those Country Programme outcomes that govern the current programme period (2011-2015), namely, the outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches” (the corresponding legacy outcome during 2005-2010 was “ICT enhances efficiency, transparency and accountability in the public sector” which addresses essentially the same issue of the public sector performance) and 2.1 “Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes”. The former covers six projects, while the latter – one (see Figures 1 and 2).



Figure 1 – The project thematic coverage of the CP 2011-2015 development outcome 3.2



Figure 2 – The project thematic coverage of the CP 2011-2015 development outcome 2.1

Otherwise speaking, the evaluation of the current CP outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches” effectively means the assessment of its predecessor as well taking into account their essential similarity for those five projects that continue pursuing the public administration reform agenda. However, such a distinction is not important, for the Internet Governance is a broad topic and covers to a large degree the issues of the role of the state and its capacity to create an enabling for Internet development.

The Internet Governance – as it will be demonstrated below – differs slightly in its objectives and could have been classified under the outcome 2.1 “Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes” as is the Youth Participation project.

As the analysis at the level of project outputs and activities demonstrates in the report’s further sections, the CP stated outcomes remain highly relevant and appropriate to the country’s development situation. It is highly commendable that the current GG programme has continued and enhanced the previous one for stronger impacts and sustainability of its results.

Such consistency and continuity are the main factors that have ensured the overall success of the entire programme over the past several years. The progress in building capacities of Azerbaijan’s such key state entities as Pension fund, Population register, Civil service commission (SSC), MFA, Customs administration has been excellent, especially on the side of administrative efficiency. UNDP’s interventions have not only turned around many state agencies, but in fact created them anew or from scratch (e.g. civil registry, pension fund, CSC).

In this light, UNDP’s contributions to the achievement of the outcome are fully appropriate and sustainable, as the national ownership has been ensured from the very start of programme and project formulation processes. This is evidenced by the fact that 83% of the GG budget came from the Government of Azerbaijan, or 26 million USD since 2005 (see Table 1 and Figure 2 below).

Table 1 – Outcome budget (breakdown by projects and inputs)

|  |  |  |  |
| --- | --- | --- | --- |
| Project | | Budget | |
| USD | per cent |
| Social security and pension reform | | |  |
|  | Government input | 10,867,041 |  |
|  | UNDP input | 2,159,000 |  |
|  | Total: | 13,026,041 | 39.4% |
| Youth participation | |  |  |
|  | Government input | 0 |  |
|  | UNDP input | 210,000 |  |
|  | Total: | 210,000 | 0.6% |
| Population register | |  |  |
|  | Government input | 8,030,000 |  |
|  | UNDP input | 980,000 |  |
|  | Total: | 9,010,000 | 27.3% |
| Customs modernization | | |  |
|  | Government input | 920,000 |  |
|  | UNDP input | 180,000 |  |
|  | Total: | 1,1000,000 | 3.3% |
| Support to MFA | |  |  |
|  | Government input | 5,192,522 |  |
|  | UNDP input | 1,269,982 |  |
|  | Other (AGFUND): | 168,000 |  |
|  | Total: | 6,630,504 | 20.1% |
| Internet Governance Forum | | |  |
|  | Government input | 2,720,000 |  |
|  | UNDP input | 150,000 |  |
|  | Total: | 2,870,000 | 8.7% |
| Civil service reform | |  |  |
|  | Government input | 100,000 |  |
|  | UNDP input | 100,000 |  |
|  | Total: | 200,000 | 0.6% |
| **All projects** | |  |  |
|  | **Government input** | **27,829,563** | **84.2%** |
|  | **UNDP input** | **5,048,982** | **15.3%** |
|  | **Grand total:** | **33,046,545** | **100.0%** |

E

Figure 2 – The outcome priority themes (by project size)

The size and diversity of the GG programme is a very significant achievement, which would not be possible to achieve without a close partnership with the Government and its agencies interested in cooperation with UNDP. This is clearly a best practice that deserves wider dissemination and proper acknowledgement. UNDP’s contribution so far has been appropriate, effective and sustainable, as in the case with the CP outcome 3.2. The main factor behind these successes is the close partnership with and national ownership of the host government.

The other aspect of the outcome is transparency and accountability. Just as efficiency, these are fundamentally important sides of administrative performance which directly relate to good governance agenda. The evaluator believes that until now more emphasis has been placed on improving the administrative efficiency of the state by creating a well-functioning, reliable and modernized (or completely overhauled) back-office of participating agencies based on the use of modern ICT-based e-governance solutions; the latter are usually expensive and take time to plan and realize, hence the big budgets and the extended time frame of several years, which is a usual practice world-wide.

A strategy to concentrate on the back-office technological modernization was justified in order to depart from an initial low baseline of the mid-2000s. This is especially evident in the case of the Population Register and Pension Fund that has allowed them to leapfrog. Their hard- and software infrastructure along with the human resources has been re-created in order to be functional and provide new services.[[2]](#footnote-2) It is not surprising therefore that inter-agency G2G services have dominated at this phase (see Figure 3).

Figure 3 – The project thematic coverage of the CP 2011-2015 development outcome 3.2

It is recommended that while continuing the focus on raising administrative efficiency realized on the basis of government-to-government (G2G) solutions – such as, for example, Information Management Systems (MIS) including Electronic Record and Document Management Systems (ERDMS)\_- during the remainder of the current programme period, the GG programme increases its attention to transparency and accountability of the Government by providing more government-to-citizen (G2C) and government-to-business (G2B) services at the front-office; it can be done, for example, by designing increasingly transactional online services to ordinary citizens and entrepreneurs, also by applying gender-sensitive approaches as required by the outcome, to meet their vital needs and unlocking government data for public use and re-use.

Such e-democracy solutions as Open Data, e-Participation and e-Consultations could be wider used as new e-services to encourage citizen engagement with the State for better and more participatory policy making. The Youth Participation project is a case in point and a step in the right direction (even through it is governed by a dedicated outcome 2.1“Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes”). The e-Government domain offers many opportunities for advancing transparency and accountability of the state agencies through a strategic deployment of relevant public services.

Another important direction of future activities under the outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches” could be the development and exploitation of e-government interoperability, especially organisational interoperability, which would facilitate inter-agency information exchange based on clear rules, including personal data and privacy protection.[[3]](#footnote-3) That would a logical step forward in order to benefit from the already established back-office infrastructure and to re-balance the two inter-related sides of the outcome.

By doing so the contribution of the GG programme for the accomplishment of this development outcome could be considered fully sufficient and exhaustive. Same applies to the related UNDAF outcome 3 “By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups”, which accomplishment shall depend on cooperation with civil society at large beyond the state itself.

## Findings at Outcome-Output level

The GG Programme is formulated in such a way that each individual project is as a rule one outcome-level output (see Table 2).

Table 2 – Projects as outputs

|  |  |
| --- | --- |
| **Population register** | |
| Output 1: | Centralised State Register of Population containing individual information on citizens established, provision of relevant information to the population improved, effectiveness of cooperation between government entities maintaining information systems on various population categories increased |
| **Social security reform** | |
| Output 1: | - 2008-2010: Pension system management processes are automated  - 2011-2015: Strengthened capacity of the State Social Protection Fund (SSPF) at both central and local levels to deliver social security services in efficient, accountable and transparent manner |
| **Customs service modernization** | |
| Output 1: | Capacities of the Customs Administration are enhanced in fight against smuggling and definition of targets at Air Transport on the basis of modern technologies (or in another wording – Support to State Customs Committee in establishment of the Target Centre in Head Department of Air Transport) |
| **Internet Governance Forum** | |
| Output 1: | Strong local capacity is in place to successfully conduct the IGF 2012 in Baku |
| **Civil service reform** | |
| Output 1: | Capacity of Civil Service Commission under the President and civil servants from state institutions to implement the ethics code and performance appraisal system increased (or in another wording - Merit-based recruitment of civil servants supported and the CSC’s capacity enhanced) |
| **Support to MFA** | |
| Output 1: | Operational capacity, business processes and human resources of the MFA further developed and strengthened (or in another wording – Improved quality, reliability and security of internal communication between the Ministry of Foreign Affairs and its diplomatic missions abroad) |
| **Youth participation** | |
| Output 1: | Youth empowered to be more active in the governance sector and their capacities developed as future leaders and public servants |

This logic helps not only to better monitor project performance in producing planned outputs but also to evaluate their contribution to respective outcomes. Schematically, such a logic is reproduced in Figure 4 It means, in practice, that analysing projects equals analyzing outputs. The GG team should be commended for applying common sense in programme and project formulation that facilitates assessment and monitoring processes.

Figure 4 – The relationship between outcomes and outcome outputs

As the above Figure 4 demonstrates, all outputs fit well two development outcomes formulated for the current programme period. Among them, six out of seven outputs (except for the Internet Governance Forum project) directly contribute to the achievement of the GG Programme’s key outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches” by building capacities of the State for effective performance and greater openness.

The Youth Participation output (“Youth empowered to be more active in the governance sector and their capacities developed as future leaders and public servants”) aims at making civil service more just and transparent by opening new opportunities for young and thus professionally vulnerable people at the very start of their careers. It is recommended that gender sensitivity is stronger manifested, as stated by the outcome 2.1 concerned with the engagement of civil society, media and vulnerable groups in policy making. At the same time, this output supports the outcome 3.2, for open and participatory governance systems are the most effective and efficient.

The Internet Governance Forum project’s output “Strong local capacity is in place to successfully conduct the IGF 2012 in Baku” seems at first glance narrowly formulated. Yet, it directly linked with the outcome 2.1 “Civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes”. The Forum’s agenda which was formulated with UNDP’s participation included the participation of several hundreds of civil society representatives and discussed such outcome-relevant issues, among many others, as the Internet’s role for enhancing social integration in an information society, including for young people.

The task of UNDP, Government counterparts and other stakeholders is to capitalize on this event and its findings for strengthening good governance through the creative use of Information Society technologies.

## Findings at Output and Activity level

#### Establishment and Development of the State Register project

**Output title** – *Centralised State Register of Population containing individual information on citizens established, provision of relevant information to the population improved, effectiveness of cooperation between government entities maintaining information systems on various population categories increased*.

**Output description**

Until 2004, Azerbaijan did not have a central database on population data in the digital form. The available information was split between various government agencies, was not automated and lacked a system of inter-agency exchange. Civil status acts containing information on population were kept in hand-written hard copies and are stored in poorly maintained archive facilities.

National identification cards issued by the Interior Ministry contained mostly registration information and were based on incomplete and often unreliable information covering only certain parts of the population. Moreover, different state entities maintain separate information databases within their field of activity. Data stored in these databases often duplicated each other. Information sharing among these systems did not exist. It was difficult or impossible to obtain necessary information from these databases.

The lack of reliable factual data on population complicated the policy making process when such data were needed for taking properly justified decisions, for example, in the field of social protection, elections, etc. The President’s 2004 Decree on “Establishment of the State Register of the Population of Azerbaijan” directed the immediate modernization of the existing facility in compliance with recognized international standards on the basis of digital ICTs and placed the Ministry of Justice in charge of such modernization.

In 2006 UNDP and the Ministry of Justice began a collaboration project to support the Ministry with this task. The project’s specific goals were to

* Establish a single and reliable, full and detailed database on the population of Azerbaijan, in compliance with international best practices and using modern information and communication technologies;
* Issue a personal and unique identification number to every individual, and
* Setup a nationwide information resource, combining all state information systems in one network through the State Register of Population.
* Additionally the centralized system will provide collection, update and when needed reliable protection of information on settlement and composition of population, scope and direction of migration, demography, as well as prevent illegal use of such information.

UNDP’s project provided a structure to build the Ministry’s capacity for the creation of a technologically modern population register that would consolidate all state information systems dealing with socio-demographic data on all citizens and foreigners living in Azerbaijan in one national Register and serve as a single information resource in this regard. Since 2006, the project has had three phases, with a total budget of over 9 million US dollars, of which 89% were provided by the Government. The project’s 3rd and final phase concluded during 2010-2012.

This clearly a flagship and successful project, 2nd largest in budgetary terms accounting for 29% of the total GG budget. In June 2012, the independent evaluation of the project was positive. This evaluation agrees with this assessment and its major recommendations (to place a stronger emphasis on data security and protection).

The State Population Register project is also a highly complex and successful undertaking in terms of changing – and in fact eliminating – traditional outdated business processes.

To implement the project, several indicators were set to monitor the progress:

* “Civil Status Acts” Automated Registration Information System enabling automated registration of civil status established;
* All country-wide registration offices connected in a single network;
* Information sharing between the “Civil Status Acts” Automated Registration Information System and temporary population register database ensured;
* Data migration to the population register launched;
* Transfer of 7.1 million out of total 17 million civil status acts into electronic format completed and its integration to the respective database achieved;
* Software ensuring the performance of the State Register of Population developed and tested
* Number of staff trained in use of relevant software packages.

These indicators were supported by annual output targets and respective activities (Annex 1.1). The Figure 5 below provides detailed description of the undertaken activities. The key among them was to preserve civil status act/record books by first dismantling them and then scanning, re-bounding and providing with electronic security indicators. This work required thousands of work hours of hundreds of people.

Suffice to mention that, as a result, the data from 15,000,000 civil status acts were transferred into electronic format. Computer networks and other equipment were installed in key departments of the Ministry of Justice, connecting these working stations to the network of Electronic Information Bank of Civil Status Acts. The State Register of Population was established and made fully operational with the launch of the automated registration Information system that was subsequently installed in various locations, including the back-up server.

Apart from a significant investments into hard- and soft-ware infrastructure, a many capacity building activities have been implemented; such as developing conceptual plans, training the Register’s staff, establishing rules and frameworks for inter-agency information exchanges, for example, with the information on population migration.

Relevance to the outcome

* Fully relevant
* Partly relevant
* Not relevant

Progress assessment

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

Figure 5 – Activities of the Population Register project

**Influencing factors**

Close partnership with the Ministry of Justice has been key influencing factor of the excellent progress made; this is evidenced by the amount of financial resources that the Government entrusted with UNDP thanks to its good reputation and rules and procedures.

**Resources, partnerships and management analysis:**

UNDP’s resource mobilization strategy in this field has been highly effective, as evidenced above, in achieving the outcome

UNDP’s partnership strategy with the Government has been most appropriate in achieving the outcome (evidenced by the substantial amount of mobilized resources and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs), authorizing necessary changes in fund allocation and activity implementation. All deviations in project course have been minor without affecting the achievement of the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and impactful.

The project – its output and related activities at all three phases during 2006-2012 – has been fully relevant to the respective outcomes pertaining for both programme periods of 2005-2010 and 2011-2015. The creation of the State Register of Population has fundamentally changed the situation in the field of socio-demographic statistics and personal data – its collection, processing, storing and sharing.

The modernization of business and management processes that has accompanied the Register’s establishment has made a very significant contribution to the outcome’s objective concerned with raising administrative efficiency of state entities.

Project management has been excellent. UNDP’s support has been effective and excellent too.

The project deserves to be named as Good Practice for broader dissemination

No modifications/corrective action required

The project management and the Ministry have been right not to share information widely (only selectively) containing personal data, including other state entities, until clear exchange and access control rules including data security arrangements have been put in place and properly enforced by law, code of practice, internal job descriptions.

**Efficiency and effectiveness of the resources spent**

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

**Impacts experienced by beneficiaries and stakeholders**

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

Sustainability, including follow-up measures and institutionalization

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

Replicability and scalability, including the value for knowledge transfer and exchange

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learnt:**

Implement recommendations of the Project Evaluation mission in the area of personal data protection and information security

Describe and analyse deeper from the knowledge management and sharing perspective the change in administrative practices that occurred with the use of digital ICTs, both positive and negative

Formulate a new project with greater focus on modernizing the front-office to provide citizen-centric e-services (and for other clients – entrepreneurs, media, etc)

Formulate a new project on Open Data to develop a strategy on public sector information available online and its subsequent use and re-use

In the case of new project in the area of Open Data, expand the scope of partners, especially with civil society, media and individual active citizens and cooperate more closely with UN agencies, including in the field of gender sensitive approaches

Review the process of information exchange among government agencies by analyzing pluses and minuses of the existing arrangements and by preparing a unified interoperability framework as far as personal data are concerned.

#### Capacity Building for the State Social Protection Fund project

**Output title**

2008-2010: *Pension system management processes are automated*

2011-2012: *Strengthened capacity of the State Social Protection Fund (SSPF) at both central and local levels to deliver social security services in efficient, accountable and transparent manner*

**Output description**

This is project has two sets of sub-outputs set for each programme period.

2008-2010:

* Rayon offices are renovated and technologically improved
* Internal regulations, manuals and responsibilities are reviewed and improved; private data protection activities and internal digital document management system are developed
* Registration process is simplified
* Regional offices are ready to receive declaration forms from ensured in 2006-2008 population
* Smooth data cleaning and systematization is ensured
* Challenges of social security system are met by the ICT system of SSPF
* Record keeping is properly functioning. Clients of social insurance system participants are aware of the new system

2011-2015 (the project ended in 2012):

* SSPF offices are renovated and ready for establishment of furniture and equipment
* Furniture is established. Offices are ready for establishment of LAN
* Computer network is established. Office is ready for installation of servers and other computer equipment
* Servers, thin clients and other IT equipment are installed; corporate software can be installed
* Corporate software is installed; trainings can be provided
* Trainings are provided and their results are assessed; trained staff is available at SPPF HQ
* Consultants are recruited, accurate and clear data are processed into the central database

During the first years of its independence in 1990s, Azerbaijan witnessed a collapse of the inherited from the Soviet time social safety net. The position of the displaced, the disabled, single mothers, and the elderly became particularly vulnerable. New social policies were needed to protect their security. The new Pension Reform Concept prepared in 2001 was part of such policies; it introduced a new pension system based on individual social insurance accounts. In 2003 the Government of Azerbaijan and UNDP signed a project to support the national reforms in the pension system and to incorporate advanced ICT systems into operations of the State Social Protection Fund (SSPF), the government agency in charge of the pension reform.

The project’s aim was to strengthen the capacity of the SSPF to conduct its responsibilities in efficient, transparent and accountable manner, including the managerial and data processing capacity, and establish on this basis a new pension system based on individual accounts covering all territory of Azerbaijan. Specific goals were:

* Significantly increase the managerial and technological capacity of SSPF;
* Maintain transparency in and improve efficiency of the social insurance and pension provision systems in Azerbaijan;
* Automate main operational processes and data exchange procedures;
* Setup efficient communication between SSPF headquarters and local and regional branches; and
* Increase efficiency of ICT use though improvement of computer literacy and skills of SSPF personnel.

It was a complex and large-scale task, where UNDP and the World Bank coordinated its efforts by working in synergy: UNDP was piloting new systems in 3-4 regions while the WB was purchasing computer equipment and setting up the thin client centres across the country (see Figure 6).

Another less explicit objective was to fight corruption through transparency and remote centralization of processing clients’ documents, which used to be a monopoly of 2,700 local social security inspectors working in 86 branches.

During the previous programme period (in 2008), UNDP and the Government started the 5th phase of the project, which was later extended into 20011-2012. At the end of 2012, the project ended upon achieving its main goals; that is, “delivering social security services in efficient, accountable and transparent manner”( Annex 1.2).

The project was a high-profile success story of ICT-aided organizational transformation in Azerbaijan’s modern history. This transformation is convincingly described in a number of UNDP publications such as “Building an Effective Pension System: Capacity Development of

Figure 6 – Activities of the Social Security and Pension Reform project

Azerbaijan’s State Social Protection Fund as a Core-stone for Improving Age Security” and “Pension reform in Azerbaijan: challenges and achievements”[[4]](#footnote-4).

The use of e-government solutions was paramount. As one of the publications argued the “Development of ICT system led not only to the higher efficiency, but also to improved quality of services to clients”.[[5]](#footnote-5) It has also allowed solving the main task, i.e. linking social insurance contributions with pensions on the basis of transparency and accountability of the service. While in 2005 there were no contributors with personal accounts to the social security system, by the end of 2011, over 1.9 million workers – which was 97% of the set target – received their social insurance cards. In many locations, almost all pensioners receive their pensions in an online mode or through mobile ATM machines in remote areas. This is a Good Practice worldwide.

In addition, modern computer systems have dramatically reduced the use of paper, Pension Fund employees enjoy more satisfying jobs, the duration of document processing takes hours instead of weeks in the past which allows paying pensions on time rather than delaying them for 3-4 months, the minimization of face-to-face contact prevents potential fraud and abuse.

The independent evaluation of the project undertaken in July 2011 concluded that “This has been a very successful project from all viewpoints... The impact of the software on the social protection systems of Azerbaijan can be seen in the growth in collections, registered employers, and registered individuals. The increased revenues have enabled SSPF to increase pension payments thus improving the quality of life generally in the country”. This evaluation supports these conclusions and agrees that UNDP and the Government should capitalize on the success by developing a new initiative in order to further exploit the SSFF’s new capacities.

The project is not only the most technologically complex compared with other GG projects, but also by far the largest at the level of 13 million US dollars invested since its start in 2003. It accounts for 42% of the entire GG programme. As in the majority of the GG projects, the Government has funded over 80% of all project expenses, which shows a high degree of trust in UNDP’s ability to deliver.

**Relevance to the outcome**

* Fully relevant
* Partly relevant
* Not relevant

**Progress assessment**

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

**Influencing factors**

Close partnership with the SSPF has been the main influencing factor of the excellent progress made; this is evidenced by the amount of financial resources that the Government entrusted with UNDP thanks to its good reputation and rules and procedures.

**Resources, partnerships and management analysis:**

UNDP’s resource mobilization strategy in this field has been highly effective, as evidenced above, in achieving the outcome

UNDP’s partnership strategy with the Government has been most appropriate in achieving the outcome (evidenced by the substantial amount of mobilized resources and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs), authorizing necessary changes in fund allocation and activity implementation. All deviations in project course have been minor without affecting the achievement of the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

It should be specifically noted that UNDP has managed to recruit for the project the best professional staff possible, particularly a highly qualified and internationally respectful Project Manager,[[6]](#footnote-6) whose vision and managerial capabilities have also been an important success factor.

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and impactful.

The project – its output and related activities at all five phases during 2003-2012 – has been fully relevant to the respective outcomes pertaining for both programme periods of 2005-2010 and 2011-2015. The virtual re-creation of the State Social Protection Fund has fundamentally changed the situation in the field of social security in general and the advancement of pension reform especially.

The modernization of business and management processes that has accompanied the SSPF transformation has made a very significant contribution to the outcome’s objective concerned with raising administrative efficiency of state entities and ensuring the transparency and accountability of public service providers. The latter has significantly contributed to greater trust in the state in Azerbaijan and has been critical to the success of administrative efficiency and effectiveness. UNDP, the Government, the SSPF and other stakeholders should be commended for such a impactful for the country’s human development achievement.

Project management has been excellent.

The project deserves to be named as Good Practice for broader dissemination, particularly in demonstrating how administrative efficiency, accountability and transparency are interlinked.

No corrective action required

**Efficiency and effectiveness of the resources spent**

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

**Impacts experienced by beneficiaries and stakeholders**

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

**Sustainability, including follow-up measures and institutionalization**

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

**Replicability and scalability, including the value for knowledge transfer and exchange**

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learnt:**

Implement recommendations of the Project Evaluation mission concerning the project’s future activities in the area of better understanding the link between public administration reform and technological innovation. The project’s success and lessons learned should be used by other state entities through strategic and on-demand consultancy services, training, detail assignments of the SSPF staff to other agencies.

It is strongly advised that the SSPF’s transformational experience is carefully studied by public administration students (attending, for example, Public Administration Academy under the President of the Republic of Azerbaijan) in the form of analytical Case Studies.

It is also recommended that UNDP and the Government start looking at the development of a broader e-governance strategy to cover other areas of social security, on the one hand, paying special attention to other needs of the most vulnerable through better public e-service; other service-based sectors (such as health services) will also benefit from specific e-governance strategies that address both organizational and policy issues alike.

The development of broader and sectoral e-gov policies would address such important for the current development of Azerbaijan issues as ICT standards, interoperability, code of conduct of IT managers, data security and protection, open data and re-use of public sector information, skill and capacity development of both professionals and end-users, getting feedback from the latter, for example, via ongoing monitoring of clients satisfaction with public services (e.g. via Citizen Report Card as it was done by UNDP and the WB in Moldova). UNDP’s task will be to ensure a citizen-centric approach to e-service when human development needs prevail. Cooperation with the newly established Agency for Public Services (ASAN Centres) will be a must to ensure policy impacts and consistency.

It is also recommended to expand the scope of partners, especially with civil society, media and individual active citizens and cooperate more closely with UN agencies, including in the field of gender sensitive approaches

#### Establishment of Internet Governance Forum (IGF) Secretariat project

**Output title – *Strong local capacity is in place to successfully conduct the IGF 2012 in Baku.***

**Output description**

The Internet Governance Forum is an 18-month project (1 April 2012 through 31 December 2013), with a total budget of 2.78 million USD mobilized in partnership with the Ministry of Communications and Information Technologies, which provided 1.5 million USD to cover organizational costs, and the United Nations[[7]](#footnote-7) (see project data in Annex ?). Its main purpose was to prepare and successfully run the 7th annual meeting of ***Internet Governance for Sustainable Human, Economic and Social Development* by c**reating an IGF Secretariat supported by relevant teams and establishing a coordination mechanism for organization of this high-level event.

The project falls under the UNDAF outcome 3 “By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups” and the Country Programme outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches”. These are relevant outcomes for the project, given that the organization of such a high-level UN event requires the involvement of all major stakeholders, which also includes civil society. Figure 7 schematically illustrates the relationship between project outputs and activities.

The meeting was held during 6-9 November 2012 in Baku. It was convened to discuss public policy issues relating to Internet governance in order to[[8]](#footnote-8):

* foster the sustainability, robustness, security, stability and development of the Internet,
* facilitate discourse between bodies dealing with different cross-cutting international public policies regarding the internet
* interface with appropriate inter-governmental organizations and other institutions on matters under their purview;
* facilitate the exchange of information and best practices, and make the full use of the expertise of the academic, scientific and technical communities;
* advise all stakeholders in proposing ways and means to accelerate the availability and affordability of the Internet in the developing world;
* strengthen and enhance the engagement of stakeholders in existing and/or future internet governance mechanisms, particularly those from developing countries;
* identify emerging issues, bring them to the attention of the relevant bodies and the general public, and, where appropriate, make recommendations;
* contribute to capacity building for internet governance in developing countries, drawing fully on local sources of knowledge and expertise;
* promote and assess, on an ongoing basis, the embodiment of WSIS principles in Internet governance processes; discuss, inter alia, issues relating to critical Internet resources; help to find solutions to the issues arising from the use and misuse of the Internet, of particular concern to daily users.

Over 1,600 delegates from 128 country attended the Forum representing 429 government, 161 academic and technical societies, 96 international organizations, 268 private sector, 541 civil society, 123 individual internet users, as well as media outlets. The IGF Baku was fully streamed online (unlike the previous events), which allowed addition 3,800 participants join discussions. The IGF Baku staff included 27 members (with 53 staff representing the IGF Geneva Secretariat), which worked together with 300 staff members of the Ministry of Communications and Information Technologies (and other related government agencies) and 250 local volunteers served as key technical personnel.

More than 100 workshops that were held focused on development and security of the Internet, mechanisms for international participation at the internet governance, internet’s economic and social implications for the political governance, initiatives for enhancement of economic and social integration opportunities for information society, role of digital media, internet-based services during emergency situations, threats and challenges for internet governance, youth participation.

The work of the Forum was facilitated by the “IGF Village” that consisted of 24 booths of governmental delegates, international companies and organizations including the Ministry of Communications and Information Technologies. As many as 12 ministers and 42 ministerial level delegates from 19 countries (along with 11 official delegates from the Government of Azerbaijan) took part in the Forum. The “Baku Declaration” was adopted as a concluding document to the High-Level Ministerial Meeting.

The Baku Forum was highly successful, as also evidenced by the *Thank You* letters received from Mr. Wu Hongbo, the United Nations Under-Secretary-General for Economic and Social Affairs, who spoke at opening ceremony among other high-level guests including Mr. Hamadoun Toure, Secretary General of the International Telecommunications Union (ITU) and Mr. Janis Karklins, Assistant Director-General for Communication and Information, UNESCO. In his letter to the President of Azerbaijan Mr. Ilham Aliyev and the Minister of Communication and Information Technologies Mr. Ali Abbasov, Mr. Hongbo expressed “sincere gratitude... for hosting the successful 7th Internet Governance Forum (IGF)” (see Annex 1.3).

To ensure that project activities contribute to the stated UNDAF outcome, UNDP placed special importance on highlighting the impact of the internet on human development by placing this issue on the IGF agenda. This is a commendable use of the event host’s privileges and raise important developmental issues that UNDP advocates globally and locally – the improvement of the status of vulnerable groups is inseparable from human development advancement). Overall, UNDP’s role has been critical in the event success as proved by Mr. Hongbo’s Thank You letter to UNDP Resident Representative/ UN Resident Coordinator Mr. Broek (see Annex ?).

Figure 7 – Activities of the Internet Governance Forum project

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and potentially impactful.

**Relevance to the outcome**

* Fully relevant
* Partly relevant
* Not relevant

**Progress assessment**

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

**Influencing factors**

Close partnership with the Ministry of Communications and Information Technologies has been the key influencing factor of the progress made; this is evidenced by the amount of financial resources that the Government entrusted with UNDP thanks to its good reputation and rules and procedures.

**Resources, partnerships and management analysis**

UNDP’s resource mobilization strategy in this field has been effective, as evidenced above, in achieving the outcome

UNDP’s partnership strategy with the Government has been appropriate in achieving the outcome (evidenced by the substantial amount of mobilized resources and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs), authorizing necessary changes in fund allocation and activity implementation. All deviations in project course have been minor without affecting the achievement of the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

No modifications/corrective action required

**Efficiency and effectiveness of the resources spent**

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

**Impacts experienced by beneficiaries and stakeholders**

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

**Sustainability, including follow-up measures and institutionalization**

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

**Replicability and scalability, including the value for knowledge transfer and exchange**

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learnt**

The Internet Governance Forum is a platform for multi-stakeholder dialogue on public policy related to such Internet governance issues as Internet sustainability, robustness, security, stability, impact on human development. The Baku forum has been a source of important contributions made in this regard.

It is strongly advised that UNDP, the Government of Azerbaijan together with all interested parties, including ICT industry, digital media and civil society, capitalize on the Forum success and create a, for example, entitled *Digital Azerbaijan Forum* as a platform of multi-stakeholder dialogue and national guidance on public policy related to Internet governance in Azerbaijan in connection with the global perspective.

Such a new initiative can be especially impactful in light of the country’s participation in the Open Government Partnership (OGP) to implement its commitments.

The Forum also could be instrumental in exploring and guiding various national initiatives, for example, in bridging digital divides within Azerbaijan by embarking on improving digital literacy among ordinary citizens and developing their digital skills. That would be most important in light of the rapid penetration of digital ICTs and the growing number of e-services. A dedicated *Digital Azerbaijan Fund* could be created in partnership with business community (which is interested in expanding the user base of their digital services) to finance and supervise initiatives aimed at skill development and training.

In this light, special attention should be given to the use of ICTs at the local level so as bring public administrations closer to people’s needs; it could be various e-Participation and e-Consultation initiatives to make decision making more participatory. The GG programme is a relevant structure for such initiatives.

#### Good Governance through Civil Service Reform project

**Output title –** *Capacity of Civil Service Commission under the President and civil servants from state institutions to implement the ethics code and performance appraisal system increased (Merit-based recruitment of civil servants supported and the CSC’s capacity enhanced)****.***

**Output description**

With the economic recovery during the 2000s and the growing inflow of investment to Azerbaijan, demands for professional and well-governed civil service have increased. In 2005, the Civil Service Commission (CSC) was established under the President of the Republic of Azerbaijan to reform the country’s civil service system according to the passed in 2000 law bill on Civil Service in Azerbaijan and to nurture, as a result, a new generation of civil servants to meet this demand.

The main objective of reform has been the creation of a public administration system that provides “the citizenry with the highest state guaranty of rights and freedoms and, generally, to accelerate the process of the integration of Azerbaijan into the international community. In this context, a major challenge for the country is to ensure that the Civil Service is composed of professional staff able to manage increased resources and provide adequate public services”.[[9]](#footnote-9)

While increasing the level of professionalism and efficiency in the work of civil servants has been central in reforming the public sector, it is remarkable that from the very start, the success of the reform has been made dependable on greater transparency and accountability in civil service through the introduction of the system of performance appraisal and the Code of Ethics. In turn, the latter are considered as instruments of implementing the Anti-Corruption Strategy (ACS) adopted in 2007, which, *inter alia*, calls to ensure the efficiency of public services.

Since 2005, UNDP and the CSC have been cooperating in reform process. With support of UNDP, the Civil Service Commission has been able to formulate a comprehensive national policy in the area of civil service, introduced a competitive, transparent and just for every one centralized recruitment system to enter Azerbaijan’s civil service, trained and re-trained civil servants to become better professionals.

Currently, a third phase of the ongoing assistance under implementation with a 2012 budget of 200,000 USD, of which 100,000 USD comes from the Government (see Annex 1.4 and Figure 8 for more information about the project). Its purpose is two-fold:

to strengthen the capacity of the staff of the Civil Service Commission (CSC) and staff of the HR and legal departments of the central and local government agencies, including ethics commissioners, to monitor and implement the law on Ethical Behaviour Rules of civil servants; and

to develop competencies of civil servants at central and local level for the implementation of the performance appraisal system.

As a result, the quality of civil service has been raised significantly. The progress made is evident against an initial baseline which stated that (a) Performance appraisal system was not introduced in any government institution and (b) Ethics commissioners did not have necessary methodology and tools to perform their functions effectively. As of 2012, the performance appraisal system has been developed, piloted and introduced in state institutions; many ethics commissioners have been appointed and trained on Rules and Ethics Conduct.

The CSC’s recruitment policy is based on competitive, transparent and merit-based entry competency assessment into civil service. All vacancies – for the first time – are publicly advertised and accompanied by clear job descriptions. Computer systems are used to test the applicants to minimize face-to-face interaction (and thus avoid possible corrupted practices), for example, by sending notifications and announcing vacant posts via text and e-mail messages.

According to the CSC Head, in terms of fairness and transparency, Azerbaijan has developed and institutionalized the best recruitment system for public office in the ex-USSR. The objectivity of applicants’ assessment is ensured by video recording – and thus a possibility for further review in case of disputes – and the presence on the assessment panel of independent experts.

The CSC is an impressively effective institution itself. With some 30 members of the staff, it manages to test daily 240 applicants on a fully automated registration and exam system;[[10]](#footnote-10) the examination tests include over 15 thousand questions. A lot of public awareness campaigns, round tables with and for civil society, and trainings in the regions are regularly conducted. The CSC is a principal organizer of events dedicated to the Public Service Day observed on 23 October.

Figure 8 – Activities of the Civil Service Reform project

Greater transparency and fairness of recruitment leads to stronger public confidence in the process which in turn attracts better qualified candidates for civil service positions from educated and ambitious young professionals, including women, with gender-disaggregated statistics to assess women’s participation in civil service has become a routine practice. This is evidenced by the application of as many as 28 thousand candidates for announced positions, among whom 1,585 were actually appointed in different government institutions. The number of women applicants just over two years has risen by almost 256% - from 584 in 2009 to 1,496 in 2011 (the share of women in all applicants has increased too from 24.7% to 28.3%); it is a remarkable fact that 74.4% of women applicants applied (in 2011) for executive positions.

Moreover, a joint UNDP-CSC attitudinal study *Civil Service in Azerbaijan: Overview* devoted an entire chapter on gender dimension entitled “*Equal Opportunities: Gender Analysis of the Internal Rules of the Civil Service Commission*”. This is a direct contribution to the outcome calling to apply gender sensitive approaches in public administration, which should be praised.

By linking administrative efficiency with good governance – transparency and accountability – the output directly responds to the development outcome 3.2 “Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches”. This is a highly commendable approach deserving a label of Good Practice.

The above mentioned study is a Good Practice in its own right. As a both analytical assessment and policy document, it takes stock of the progress in civil service reform, analyzes its effectiveness and contribution to the achievement of national development goals, identifies areas for improvement. The very fact of such a study demonstrates the substantially increased capacity of the CSC, in which UNDP has played a major role.

Successful cooperation with UNDP has created an excellent reputation for the CSC as a reliable, responsible and effective partner. As a consequence, the CSC is attractive to other donors such as the European Commission (Institutional Capacity Building) and the German government.

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and impactful.

*Relevance to the outcome*

* Fully relevant
* Partly relevant
* Not relevant

*Progress assessment*

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

*Influencing factors*

Close partnership with the Civil Service Commission has been the key influencing factor of the progress made; this is evidenced by the financial contributions made towards the project costs and entrusted into UNDP management thanks to its good reputation and rules and procedures.

*Resources, partnerships and management analysis*

UNDP’s resource mobilization strategy in this field has been effective, as evidenced above, in achieving the outcome

UNDP’s partnership strategy with the Government has been appropriate in achieving the outcome (evidenced by the mobilized resources from the government side and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs), authorizing necessary changes in fund allocation and activity implementation. All deviations in project course have been minor without affecting the achievement of the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

No modifications/corrective action required

*Efficiency and effectiveness of the resources spent*

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

*Impacts experienced by beneficiaries and stakeholders*

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

*Sustainability, including follow-up measures and institutionalization*

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

*Replicability and scalability, including the value for knowledge transfer and exchange*

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learned**

The project is a successful and impactful. It is a good demonstration of the “soft” policy assistance, value-for-money project which can be impactful as well when it responds to the national development needs.

Another lesson is in the proven by the project fact that the efficiency of the public sector depends on its transparency and accountability, and vice versa. That mutual dependency should be taken into account for developing project strategies.

It is recommended that UNDP and the CSC take their cooperation further by investing in stronger online presence of the competency appraisal system so as all major phases of testing could be done fully online.

Another recommendation concerns the availability of the appraisal system – especially its questions and quizzes – for other needs and clients where competency assessment is needed; for example, for public and non-governmental institutions, as well as private bodies, which cannot afford the creation their own appraisal system. Alternatively, the CSC could provide competency assessment services in adapted format to third parties on demand. Likewise, it can be done in cooperation with other specialised recruitment agencies.

It is strongly advised that the CSC invests, with UNDP’s assistance, in security and (personal) data protection in order to maintain a high level of public trust in the system’s reliability and confidentiality.

The evaluator recommends wide and more aggressive dissemination of Azerbaijan’s best practice experience in the field of public sector recruitment both regionally and internationally. Potentially, it could be possible to create an Excellent Centre providing relevant services and appraisal modules for other countries in a number of languages (e.g. Russian, English, Turkish).

#### National Capacity Building Programme for the Ministry of Foreign Affairs project

**Output title –** *Operational capacity, business processes and human resources of the MFA further developed and strengthened (Improved quality, reliability and security of internal communication between the Ministry of Foreign Affairs and its diplomatic missions abroad)*

**Output description**

As an independent nation, playing important role in international affairs and economy, Azerbaijan needs an effective and well networked system of representations abroad. Since 2005, UNDP has been cooperating with the Ministry of Foreign Affairs with the purpose to

* increase the efficiency and transparency of MFA operations through the application of ICT tools;
* roll-out of new information and communication systems to Azerbaijan’s embassies
* improve communications with other government bodies, civil society and the general public;
* build internal training capacities;
* improve the Ministry’s human resource management capacity.

UNDP has helped to get access to the experience of the British Foreign Service which was important in making right policy decisions at the start of the project. As a result of this assistance UNDP has helped to set up a reliable, secure and cost-efficient communication system that connects almost 9 of 10 embassies (out of 77), which considerably reduced communications costs thanks the introduction of free of charge voice and data exchange between MFA HQs and diplomatic missions abroad (see Figure 9).

The Ministry’s Training Centre has been created and delivered over 100 training sessions for Azerbaijani diplomats. Other facilities included the Public Relations Hall and a Research and Situational Centre.

The MFA was one of the first state agencies to introduce an internal system of electronic documents management, which has been developed by local specialists. The Intranet and Internet services that have been made available for all MFA staff include the electronic management of financial and human resources information.

The Ministry has been open for other capacity building and research activities to raise the professional level of the country’s diplomatic service by introducing internship opportunities at the Permanent Mission of the Republic of Azerbaijan to the United Nations in New York and sending diplomats for training in the field of international security, relations and diplomacy studies (including Master’s degree programmes) to such leading educational institutions as College of Europe and Harvard University.

All these activities are fully in line with the CP development outcome calling for developing capacities in the interest of greater efficiency, accountability and transparency of the public sector. The total budget invested in the project is very substantial and equals 6.6 million USD, of which 5.2 million USD has been provided by the Government on a cost-sharing basis (Annex 1.5); this makes the project the third largest in the GG programme portfolio in financial terms accounting for 1/5 of its total budget.

Figure 9 – Activities of the Support to MFA project

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and impactful.

*Relevance to the outcome*

* Fully relevant
* Partly relevant
* Not relevant

*Progress assessment*

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

*Influencing factors*

Close partnership with the Ministry of Foreign Affairs has been the key influencing factor of the progress made; this is evidenced by the financial contributions made towards the project costs and entrusted into UNDP management thanks to its good reputation and rules and procedures.

*Resources, partnerships and management analysis*

UNDP’s resource mobilization strategy in this field has been effective, as evidenced above, in achieving the outcome

UNDP’s partnership strategy with the Government has been appropriate in achieving the outcome (evidenced by the mobilized resources from the government side and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs), authorizing necessary changes in fund allocation and activity implementation. All deviations in project course have been minor without affecting the achievement of the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

No modifications/corrective action required

*Efficiency and effectiveness of the resources spent*

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

*Impacts experienced by beneficiaries and stakeholders*

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

*Sustainability, including follow-up measures and institutionalization*

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

*Replicability and scalability, including the value for knowledge transfer and exchange*

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learned**

The project is a successful and impactful for Azerbaijan’s state. UNDP has played a catalytic role in the mid-2000s by providing access to the world’s best experience (of the United Kingdom), which was crucial to overcome sceptics and take a strategic far-sighted decision to invest in the MFA’s information and communications systems. UNDP’s support has been important at a later stage when the Ministry has matured in using modern e-government technologies and solutions making it among the most experienced users of ICT systems in Azerbaijan.

The evaluation recommends extending the project with the purpose to make the MFA more open for the public and strengthen the link between gender sensitive approaches in diplomatic service. That would contribute even stronger to the CO and UNDAF development outcomes that underline the importance of the involvement of civil society and applying gender sensitive approaches.

For example, UNDP could help develop initiatives of discussing foreign policy options over the internet at a dedicated public forum (e.g. as it was done by UNDP in Turkey jointly with the MFA). That would contribute to the modern image of Azerbaijan, both internally and externally.

#### Modernizations of Customs Service in the Republic of Azerbaijan project

**Output title –** *Capacities of the Customs Administration are enhanced in fight against smuggling and definition of targets at Air Transport on the basis of modern technologies (Support to State Customs Committee in establishment of the Target Centre in Head Department of Air Transport)*

**Output description**

As the economy of Azerbaijan has been booming as a result of oil revenues, the efficient and transparent customs services have become increasingly important for creating favourable business conditions for investors and traders. The modernization of customs service is therefore one of the main priorities of State Programme on Poverty Reduction and Sustainable Development in 2008-2015. The State Programme on Development of the Customs Service of Azerbaijan Republic for 2007-2011 has been a guiding policy document for cooperation between UNDP and the State Customs Committee (SCC).

Another important document that has advanced the country’s customs system was the 2008 Decree of the President of the Republic of Azerbaijan on the “Application of ‘single window’ principle of the control of goods and transport means passing the state border check points”. The implementation of this decree has led to the introduction of the Integrated Border Management concept consisting of the fully modernized six check points at which cargo documents are processed within 20 minutes instead of three hours before the modernization without compromising risk control functions.

UNDP’s involvement in customs administration started in 1999 with a project aimed at enhancing technical capacities and operational effectiveness of the SCC through the creation of the Committee’s data transmission network. In 2006, a new project was signed with the SCC to further modernize the country’s customs service. It was co-funded by the European Commission so as to develop a new Customs Code based on international standards and the use of modern ICTs (passed in 2010). It aimed at creating new legislation and customs procedures accompanied with the development of appropriate IT strategy.

This project was further extended into the 2nd phase of customs service modernization with the Government funding (in the amount of 500,000 USD; UNDP’s input was 100,000 USD) to enhance Operations Management capacity of the Committee. In particular, a Target Centre was created as a means of such operational enhancement, which has allowed to monitor via video observation the transportation of cargo vehicles from the port of entry into the territory of Azerbaijan to the point of exit.

The most recent 3rd project phase implemented in 2011-2012 – with a total budget of 500,000 USD, of which 420,000 was Government co-financing – and strengthened the capacity of customs control at air transport and special operations of the State Customs Committee with the purpose of speeding up customs clearance of air cargo, processing of passengers and prevention of smuggling (see Annex 1.6).

As illustrated in Figure 10, the main activities included the establishment of the Target Centre in the Head Department at air transport in Baku Heydar Aliyev international airport connected via a dedicated computer network with check points in Nakhichevan, Ganja, Lankaran and Zagatala. The successful experience of the project’s 2nd phase was used in

Figure 10 – Activities of the Customs Service Modernization project

the air transport. In addition, a system of air cargo registration and financial monitoring control over currency values was created as well.

Business processes governing information flows between the Centre and the SCC Head Office have been designed and realized in practice, accompanied with training of customs personnel on how to use modern computer systems and related applications, such as new methods of video observation.

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and impactful.

*Relevance to the outcome*

* Fully relevant
* Partly relevant
* Not relevant

*Progress assessment*

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

*Influencing factors*

Close partnership with the State Customs Committee has been the key influencing factor of the progress made; this is evidenced by the financial contributions made towards the project costs and entrusted into UNDP management thanks to its good reputation and rules and procedures.

*Resources, partnerships and management analysis*

UNDP’s resource mobilization strategy in this field has been effective, as evidenced above, in achieving the outcome. Especially commendable was UNDP’s role in mobilizing resources from the European Union.

UNDP’s partnership strategy with the Government and the EU has been appropriate in achieving the outcome (evidenced by the mobilized resources from the government side and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs), authorizing necessary changes in fund allocation and activity implementation. All deviations in project course have been minor without affecting the achievement of the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

No modifications/corrective action required

*Efficiency and effectiveness of the resources spent*

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

*Impacts experienced by beneficiaries and stakeholders*

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

*Sustainability, including follow-up measures and institutionalization*

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

*Replicability and scalability, including the value for knowledge transfer and exchange*

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learned**

At all phases, the project has been successful and impactful for Azerbaijan’s state. UNDP has played a catalytic role in the mid-2000s by providing access to the EU funding to introduce internationally recognized standards into customs administration. That has significantly contributed to the CP development outcome as far as administrative efficiency is concerned.

The evaluation recommends continuing cooperation with the SCC and re-focusing its activities on G2C and G2B online service in the direction of greater transparency so as to further increase public confidence in the national customs service. In order to enhance customs’ accountability to the public at the front-end, it is advised to create an online feedback system open to ordinary citizens to share their experience at check points.

***Youth Participation in Decision Making and Policy Implementation***

**Output title –** *Youth empowered to be more active in the governance sector and their capacities developed as future leaders and public servants*

**Output description**

This is a new project started in June 2012. Unlike other projects concerned with administrative efficiency, it has an aim to contribute to (a) CP outcome “By 2015, civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes” and (b) UNDAF outcome “The State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups”.

The project’s specific goals are to empower the young people of Azerbaijan to participate in decision-making more actively by contributing to policy planning and policy outcomes, and to develop their capacity as future leaders and public servants. The project will provide young people with knowledge and skills to identify and advocate for youth-specific outcomes in the state programmes and strategies; attract more youth to the civil service; and strengthen young people’s capacities to participate at the international fora. The ultimate purpose is to assist the government in implementation of the State Programme on Azerbaijani Youth 2011-2015.

The envisaged activities include youth mainstreaming through developing appropriate analytical methodologies, elaborating smart indicators of mainstreaming results, training of the Ministry’s staff, civil service internships, engaging youth in public discussions on important issues, developing communications and presentation skills, simulating of the UN Security Council or international conference gathering, advancing web-journalism and the use of social media (see Figure 11). It is highly commendable that the project addresses the participation needs of the disabled and women.

The project is very well designed, with properly developed strategy and accompanying output targets and indicators. The budget is modest – a total of 210,000 USD, of which 150,000 USD come from the UNDP DG Trust Fund (see Annex 1.7).

It is also highly relevant for the GG programme to engage in participatory activities as a pre-condition for sound governance, as required by the *State Programme of Azerbaijani Youth*, namely: to increase “the role of youth in governance and development of civil society“ and encourage “youth empowerment and democratic governance”. Thus, another aspect of innovation is in linking democratic governance with current administrative practices – for example, through internships – that are not typically responsive to participation demands.

Until now, the project has had a successful start by identifying 50 young people, including 28 women, out of the applied 190 candidates who had interest in civil service (90 were shortlisted and interviewed). They will be trained as possible future leaders and provided internship opportunities in government agencies.

Figure 11 – Activities of the Youth Participation project

The project should be commended for using social media to implement project activities; for example, all major initiatives – such as workshops[[11]](#footnote-11) – are announced on the project’s Facebook page where discussions can he held and feedback sought.

**Key evaluation findings**

All planned activities have been implemented as planned, output targets met and objectives achieved. The project has made a good progress and contributed to the appropriate UNDAF and CP development outcomes. The project is successful and impactful.

*Relevance to the outcome*

* Fully relevant
* Partly relevant
* Not relevant

*Progress assessment*

* Good progress (all goals been achieved, targets met, activities implemented, no major deviations)
* Satisfactory progress (most goals achieved, targets met, activities implemented, minor deviations)
* Unsatisfactory progress (some goals achieved, targets met, activities implemented, significant deviations and failures)

*Influencing factors*

Close partnership with the Ministry of Youth and Sports is the key influencing factor of the progress made; this is evidenced by good progress made by the project within just few months since its start.

*Resources, partnerships and management analysis*

UNDP’s partnership strategy with the Government – Ministry of Youth and Sports – has been appropriate in achieving the outcome (evidenced by the mobilized resources from the government side and the achieved results)

The project has followed UNDP’s project management rules and procedures under NEX by establishing Project Steering Committee and effectively maintaining its work. The Committee has met regularly guiding the project timely and adequately by approving Annual Work Plans (AWPs) to achieve the stated in the projects’ Results and Resources Framework (RRF).

Project management has been excellent. UNDP’s support and working methods have been appropriate and effective in achieving the outcome.

No modifications/corrective action required

*Efficiency and effectiveness of the resources spent*

* Effective and efficient use of the resources
* Partly effective and efficient use of the resources
* Not effective and efficient use of the resources

*Impacts experienced by beneficiaries and stakeholders*

* Already impactful for the State, citizens, entrepreneurs
* Likely to be impactful for the State, citizens, entrepreneurs
* Not likely to be impactful for the State, citizens, entrepreneurs
* No impacts possible
* Not applicable

*Sustainability, including follow-up measures and institutionalization*

* Already fully sustainable and institutionalized
* Likely to be sustainable and institutionalized
* Unlikely to be sustainable and institutionalized
* Cannot be sustainable and/or institutionalized
* Not applicable

*Replicability and scalability, including the value for knowledge transfer and exchange*

* Replicable/ scalable, valuable for knowledge transfer/ exchange
* Partly replicable/ scalable, valuable for knowledge transfer/ exchange
* Not replicable/ scalable, not valuable for knowledge transfer/ exchange
* Cannot be replicated (unique), still valuable for knowledge transfer/ exchange
* Not applicable

**Key recommendations and lessons learned**

Since the project is very new, the evaluation relies on its potential to make contributions to the outcomes rather on the actually delivered results. What can be said at this stage is that the project is innovative by focussing on “soft” assistance in democratic participation – a critically important area of democracy and empowerment. The is a new for the GG programme type of initiative that aim at piloting and encouraging democratic participation, which should be praised.

Judging by what has been done so far, the evaluator recommends using social media more pro-actively not only for project coordination but also for implementing its activities in an online mode as much as feasibly possible. First of all that concerns web-journalism. It should be noted that youth typically the most technology savvy population group and the use of modern digital technologies can attract it to the project goals. The project could develop valuable guidance available for all in the area of people’s journalism and the use of user-generated content (UGC).

Another recommendation concerns the implementation of a series of discussion clubs and expert-led panel discussions. This activity can be potentially highly impactful. It would be desirable for the project to use the Internet discussion form, especially popular with young people, and to develop a number of guidelines on how to organize and run public deliberations online in a constructive and civilized manner.

## Findings common for all projects

All projects have made a good progress and contributed to the appropriate UNDAF and CP development outcomes.

Project Steering Committees were established and maintained. The Committees have met regularly guiding the project adequately to achieve the stated in the projects’ RRFs.

Projects’ activities have been implemented as planned without major deviations; when required, budget revisions have been made with updated AWPs been timely produced and approved by the Project Steering Committees. The project is successful and impactful.

Project management has been excellent. Project Managers are excellent – professional, committed and effective

UNDP’s supports from the GG programme and senior management, as well as its working methods have been appropriate and effective in achieving the outcome.

UNDP NEX modality is attractive for the Government partners to entrust its resources with UNDP and achieve the planned results.

Close partnership with the Government implementing partners has been the key influencing factor of the progress made. UNDP’s partnership strategy with respective Government bodies acting as implementing partners has been appropriate in achieving the outcome; this is evidenced by

* (a) substantial amount of mobilized resources from the government side – 26 million USD (except for the youth Participation project)
* (b) achieved results

Project outputs have been fully relevant to respective development outcomes.

Project results have been institutionalized for most of the projects (except the Youth Participation and Internet Governance Forum projects) and are therefore fully sustainable and impactful for respective sectors of public administration – both on the side of project beneficiaries from the State agencies and end user of their services.

No substantial modifications/corrective actions are required.

Project resources have been spent efficiently, effectively and responsibly.

Project results are replicable, scalable (except the Internet Governance Forum project) and have substantial value for knowledge transfer and exchange.

The back-office infrastructure of the participating Government agencies have been fundamentally created and modernized with new, more effective business processes installed.

ICT/e-Government solutions have been used in all projects to modernize and improve the administrative efficiency of the participating Government agencies’ back- and front offices with strong impacts felt across respective administrations (less applicable to the Internet Governance Forum and Youth Participation projects).

## Recommendations common for all projects

Expand partnership base beyond the participating government partner agencies by exploring cooperation with civil society (Youth Participation project is a good example) and business community.

Prioritise stronger gender-sensitive approaches (Youth Participation project and Civil Service projects are a good examples)

Prioritize stronger the front-office of public sector providing more and better public e-services responding to people’s vital human development needs, for more attention so far has been given – for good and justified reasons – to the creation of adequate computer infrastructure.

Introduce stronger front-office components for devising and delivering citizen-centric (G2C/G2B) services with the mandate of respective agencies and their sectors; undertake surveys to determine end-users’ priority needs in public services and conduct regular client satisfaction poll

Make stronger efforts to address the ‘soft’ side of the outcome 2.3 dealing with accountability and transparency issues (as is the case of such as is enhanced through capacity development of State Entities, including gender sensitive approaches”

Use social media’s communication benefits to coordinate project activities among project beneficiaries and conduct awareness activities (e.g. conducting online surveys and polls)

Explore opportunities for designing global, sector-specific e-Governance strategies/action plans for sectors in which UNDP is already active, for example, in the field of social security, civil status registration.

## Recommendations beyond the scope of the current projects

Make special efforts to cooperate strategically with ICT business community, as well as other sectors dependent on technology use, such as banks and media, to address the issue of digital literacy and skills among ordinary population; it can be done by establishing a joint fund to train one-third of all rural and small town population.

Make stronger effort to develop programmes in the field of democratic governance, especially participatory democracy through the use of e-participation, e-inclusion and e-consultation solutions that engage citizens’ expertise and opinion for better decision- and policy-making and public trust

Explore opportunities for designing a public service/local governance programme at the grassroots (municipal/regional) level to reach out to broader audiences and expand citizen-centric public services including support to entrepreneurs.

Explore opportunities for replicating the accumulated experience in deploying large-scale computer infrastructure by designing global, sector-specific e-Governance strategies/action plans for sectors that provide vitally important public services for the entire population and its groups, for example, in the field of health care, construction, agriculture, land-registration, finance, etc.

Explore opportunities to develop and apply a national interoperability strategy (supported by a number of respective functional interoperability frameworks such as information security interoperability and web interoperability) so as to ensure an effective and secure exchange of information and protect personal data.

Explore opportunities to develop a project in the field of Open Data and re-use of public sector information to assist the Government in meeting its obligations under the Open Government Partnership (OGP) initiative.

# Conclusions

## Main conclusion at the Outcome level

UNDP and the Government of Azerbaijan have been successful in the technology-based reform of the country’s five key public administration sectors and related institutions, namely:

* Administration of social security and pension system services by modernizing the State Pension Fund by building its capacities and infrastructure to collect, store, maintain and share social insurance data (including running the system of personal contribution accounts) in transparent and comprehensive manner
* Administration of civic status registration services by establishing Population Register and building its capacities and infrastructure to collect, store, maintain and share socio-demographic data in a comprehensive manner
* Administration of civil service reform processes and competency appraisal services by strengthening Civic Service Commission’s capacities to recruit new civil servants and monitor their ethical behavior in a transparent and accountable manner
* Administration of customs services for transportation of cargo by strengthening State Customs Committee capacities and infrastructure for border control and monitoring in a comprehensive and real-time manner
* Administration of communication services by strengthening MFA capacities and infrastructure to liaise with diplomatic missions aboard in a cost-effective and secure manner
* Administration of leadership development services among young, technologically-savvy people, by strengthening capacities of the Ministry of Youth and Sports to form a new generation of accountable and modern civil servants

A major progress has been made in these sectors to significantly raise public management efficiency through the creation of modern back-office infrastructure and deployment of mainly government-to-government (G2G) services according to planned outputs and thus meeting the development outcome obligations in this regard.

In many cases the gains in administrative efficiency have been accompanied by the increased transparency and accountability of government operations including through the provision of front-office government-to-citizen (G2C) services.

The evaluation analysis reveals that greater transparency of public sector is a central enabling factor for higher administrative efficiency and effectiveness. On the other hand, efficient administration prompts the state to become more open, accountable to the public and ultimately democratic. This is the main lesson learned from the outcome evaluation of the UNDP Azerbaijan’s GG programme.

## Main recommendation at the Outcome level

To the extent possible and in light of this evaluation, continue support to the Government partner entities and engaging other agencies by improving the back-office business processes and raising on this basis efficiency of technology-based internal operations.

In parallel, during the remainder of the current programme period, it is recommended increasing emphasis on a more pro-active exploitation of the democratic governance benefits that come with greater transparency and accountability of the public sector. It can be done by providing a wider range of client-oriented G2C and G2B services at the front-office end and thus capitalize on the modernized back-office – for example, in the form of the increasingly transactional online services aimed at ordinary citizens and entrepreneurs, and applying gender-sensitive approaches (as required by the outcome) to meet their immediate human development needs.

It is further recommended exploring and start Open Data/ Open Government initiatives that unlock government data for public use and re-use are recommended for exploration and future programming. Such initiatives would stimulate and facilitate the use of such e-Governance solutions as e-Participation, e-Inclusion, e-Consultations to further enhance democratic governance in Azerbaijan. The experience of the Youth Participation initiative demonstrates a good potential of applying participatory governance approaches.

# Annex 1: Project briefs

**Annex 1.1 – Population Register**

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| **Establishment and development of the State Register of Population of the Republic of Azerbaijan (Phase III)** | |
| UNDAF Outcomes for 2005-2010 and 2011-2015 programme periods: | **Outcome 2** for 2005-2010: The State improves its delivery of services and its protection of rights with the involvement of civil society and in compliance with its international commitments  **Outcome 3** for 2011-2015: By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcomes for 2005-2010 and 2011-2015: | **Outcome 2.3 for 2005-2010**: ICT enhances efficiency, transparency and accountability in the public sector  **Outcome 3.2** for 2011-2015: Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches |
| Project goal(s): | Establish a single and reliable, full and detailed database on the population of Azerbaijan, in compliance with international best practices and using modern information and communication technologies;  Issue a personal and unique identification number to every individual, and  Setup a nationwide information resource, combining all state information systems in one network through the State Register of Population.  Additionally the centralized system will provide collection, update and when needed reliable protection of information on settlement and composition of population, scope and direction of migration, demography, as well as prevent illegal use of such information. |
| Expected Output(s): | -A centralised State Register of Population containing individual information on citizens established, -Provision of relevant information to the population improved,  -Effectiveness of cooperation between government entities maintaining information systems on various population categories increased. |
| Baseline: | **Baseline (as of 2006):**  a) Civil status acts containing information on population are kept in primitively prepared hard copies with mostly illegible handwriting, with no use of technical means and are stored in poorly maintained archive facilities There are insufficient capacities to apply youth mainstreaming to sector-policy making  b) Electronic information resource demonstrating people’s address registration information on the basis of which national identification cards are issued is formed by the Ministry of Interior. However, data stored therein captures only partial information on certain part of the population.  c) Different state entities maintain separate information databases within their field of activity. Data stored in these databases often duplicates one another; information sharing among these systems does not exist. It is very difficult or impossible to obtain necessary information from these databases. |
| Indicator: | - “Civil Status Acts” Automated Registration Information System enabling automated registration of civil status established  - All country-wide registration offices connected in a single network  - Information sharing between the “Civil Status Acts” Automated Registration Information System and temporary population register database ensured  - Data migration to the population register launched  - Transfer of 7.1 million out of total 17 million civil status acts into electronic format completed and its integration to the respective database achieved  - Software ensuring the performance of the State Register of Population developed and tested  - Number of staff trained in use of relevant software packages |
| Output annual targets: | 2010  **Target 1:** 4,000,000 civil status acts converted from hardcopies into electronic format in order to increase competencies of the “State Register of Population” Automated Registration Information System  **Target 2:** Hardware ensuring the operation of the “State Register of Population” Automated Registration Information System purchased and installed  **Target 3:** Training courses for the professional users of the “State Register of Population” Automated Registration Information System organized  **Target 4:** Training courses for the professional users of the “State Register of Population” Automated Registration Information System upgraded and improved  **Target 5:** In accordance with the Presidential Decree No 129 of 20 July 2009, to import certain data into the “State Register of Population” from the “Single Migration” Information System of the State Migration Service  2011  **Target 1:** 3,900,000 civil status acts converted from hardcopies into electronic format in order to increase competencies of the “State Register of Population” Automated Registration Information System  **Target 6:** Back-up service, placed in an alternative location of the “State Register of Population” Automated Registration Information System is established, its function synchronized with the central server and, in cases of emergency, its full functionality duplicating the function of the central database is ensured. |
| Activities: | 2010  **Activity 1.1:** Act record books preserved in the civil status acts archive are dismantled, scanned, re-bound and provided with electronic security indicators  **Activity 1.2:** 30 various types of indicators of the scanned forms of the civil status acts are entered into the database of the “State Register of Population” Automated Registration Information System by 140 computer operators and administrative staff, validated and standardized  **Activity 2.1:** Hardware ensuring the performance of the operations systems, databases, software and network infrastructure of the “State Register of Population” Automated Registration Information System is purchased, installed and tested  **Activity 3.1:** Training courses for professional users of the “State Register of Population” Automated Registration Information System is organized  **Activity 4.1:** Preparation of proposals related to necessary amendments and corrections of the “State Register of Population” Automated Registration Information System based on the analysis during the first few months of its performance is applied, a new software component enabling the transmission of personal identification number to 14 state information systems approved by the decision No 28 of the Cabinet of Ministers of 5 February 2008 ensuring the connection of these approved systems to the Population Register developed  **Activity 4.2:** Communication infrastructure to accelerate coordination between the “State Register of Population” Automated Registration Information System and relevant state information systems is improved  **Activity 5.1:** In accordance with the Presidential Decree No 129 of 20 July 2009 secure and stable optic communication channel with the he “Single Migration” Information System of the State Migration Service to import certain data into State Population Register is established  **Activity 5.2:** New software component ensuring import of certain data into State Population Register from the “Single Migration” Information System of the State Migration Service is developed and integrated  2011  **Activity 6.1:** Special software development environment ensuring the performance of the licensed operation systems and databases of the back-up server of the “State Register of Population” Automated Registration Information System placed on alternative location is procured  **Activity 6.2:** Special software ensuring the operation of the back-up server of the “State Register of Population” Automated Registration Information System on alternative location is developed  **Activity 6.3:** Hardware ensuring the performance of the licensed operation systems, databases, software and network infrastructure of the back-up server of the “State Register of Population” Automated Registration Information System on alternative location is purchased, installed and tested  **Activity 6.4:** Secure and stable communication channel between the “State Register of Population” Automated Registration Information System and its back-up server is established |
| Implementing Partner: | Ministry of Justice |
| Project period: | 2010 – 2012 |
| Total project budget for the period: | 9,010,000 USD |
| incl. UNDP input: | 980,000 USD |
| incl. Govt input: | 8,030,000 USD |
| Unprogrammed: | 0 |
| Project period: | 2006 – 2012 (phase I: 2006-2007; phase II: 2008-2009; phase III: 2010-2012) |
| Total project budget for the period(s): | Phase I: 1,440,000 USD  Phase II: 3,500,000 USD  Phase III: 4,070,000 USD (incl. Government input of 820,096 USD in 2012) |
| incl. UNDP input: | Phase I: 360,000 USD  Phase II: 250,000 USD  Phase III: 370,000 USD (incl. Government input of 0 USD in 2012) |
| incl. Govt input: | Phase I: 1,080,000 USD  Phase II: 3,250,000 USD  Phase III: 3,700,000 USD (incl. Government input of 820,096 USD in 2012) |

**Annex 1.2 – Social Security and Pension Reform**

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| **Capacity building for the Social Protection Fund (extension of the 5th phase)** | |
| UNDAF Outcomes for 2005-2010 and 2011-2015 programme periods: | **Outcome 2** for 2005-2010: The State improves its delivery of services and its protection of rights with the involvement of civil society and in compliance with its international commitments  **Outcome 3** for 2011-2015: By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcomes for 2005-2010 and 2011-2015: | **Outcome 2.3 for 2005-2010**: ICT enhances efficiency, transparency and accountability in the public sector; Social protection and pension systems are reformed.  **Outcome 3.2** for 2011-2015: Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches |
| Project goal(s): | To introduce a new social security scheme and modernize the technological capacity of the e State Social Protection Fund (SSPF) using the cutting edge information and communication technologies; specifically, to significantly increase the SPPF’s managerial and technological capabilities and provide technological instruments for governing the country’s social insurance and pension systems in a transparent and fair way by designing efficient data flow mechanisms and automating daily routine procedures, developing efficient data exchange between the head office and local branches, establishing MIS in all SPPF branches. |
| Expected Output(s): | 2008-2010: Pension system management processes are automated  - Rayon offices are renovated and technologically improved  - Internal regulations, manuals and responsibilities are reviewed and improved; private data protection activities and internal digital document management system are developed  - Registration process is simplified  - Regional offices are ready to receive declaration forms from ensured in 2006-2008 population  - Smooth data cleaning and systematization is ensured  - Challenges of social security system are met by the ICT system of SSPF  - Record keeping is properly functioning. Clients of social insurance system participants are aware of the new system  2011-2012: Strengthened capacity of the State Social Protection Fund at both central and local levels to deliver social security services in efficient, accountable and transparent manner  - SSPF offices are renovated and ready for establishment of furniture and equipment  - Furniture is established. Offices are ready for establishment of LAN  - Computer network is established. Office is ready for installation of servers and other computer equipment  - Servers, thin clients and other IT equipment are installed; corporate software can be installed  - Corporate software is installed; trainings can be provided  - Trainings are provided and their results are assessed; trained staff is available at SPPF HQ  - Consultants are recruited’ accurate and clear data are processed into the central database |
| Baseline: | **Baseline:**  2008-2010  - No evidence of digital document management system in SSPF; all documents are paper-based  - Date exchange with MoT is available  - 1.5 million of the work force are registered and got their personal accounts with SSPF  - Online submission of declarations is not possible; local SSPF branches receive paper-based applications and declaration forms from employees for filing and sending them to the respective regional offices  - 1.5 million Q3 forms submitted to SSPF (as of June 2008); 1.4 million personal accounts opened  - Database contains information on all registered participants  - No professional training is provided  - Most components of the developed MIS are in place and have been installed in SPPF renovated local branches, which have been equipped with servers and computer systems – workstations and thin client sets. Central server centre has been established  - Record keeping system contains information on 1.5 million contributors to the social insurance system  - Participants of the social insurance system have not received individual account balance reports for 2006-2008  2011-2012  - Out of the SSPF’s 88 branch offices, 65 have been renovated or built from scratch; 14 are located in renovated rented premises; 9 offices (Khazar, Sabail, Sabunchu, Mingechevir, Khojali, Khojavend, Jabrail, Kelbejar, Gubadli) are rented or not renovated; computers and servers are supplied to all 88 offices; permanent LAN solution is installed in 81 offices; 7 offices have limited LAN capacity which covers only personal accounts and finance-budget sections.  - Most components of the developed MIS (both hardware-servers, thin clients, PCs, printers, and corporate software for registration of SSPF clients, receiving and processing of reports and financial declarations) are in place and have been installed in 62 renovated local branches. SSPF offices have been equipped with servers and computer systems – workstations and thin clients sets.  - Central server centre has been established and works properly. Back-up server centre has been renovated; equipment for back-up server is available.  1.8 million Q3 forms submitted to SSPF so far (as of 17 June 2010). 1.7 million personal accounts opened.  - Collection of declarations started in 2008. Currently, SSPF clears and cross-checks the submitted declaration and allocates the funds on the Social Security Cards. SSFP collected declarations for 2006-2009. 80% of declarations for 2006-2008 (circa 3,840,000 declarations) were cleared so far.  - Database contains information on all registered participants.  - Extension of the 5th phase is planned to start on 1 January 2011. Project staff and office facilities with necessary equipment are available. |
| Indicator: | 2008-2010  - Action Plan to create an internal electronic document management system is prepared and submitted for approval  - Fibre-optic channel is installed, hardware is procured, software modules are developed and installed  - Number of regional offices maintaining remote data exchange with SPPF HQs  - Number of registered population in the social security system  - Number of staff members attended professional training  - Number of declaration and application forms  - Level of the use of electronic data  - Number of branch offices using modern ICT systems  - Number of clients submitting data electronically  - Back-up server centre opened  - MIS contains all necessary data for preparation of notification reports for insured population  - Notifications are printed and mailed  2011-2012  - Number of offices with installed equipment and furniture, installed LANs  - Number of offices with established MIS  - Number of SSPF’s client (system of contributors) registered in the social security system  - % of processed forms (application and declaration forms)  - Qualified project staff is available  - Number of monitored offices of SSPF  - Number of progress reports produced  - Number of positive audit reports |
| Output annual targets: | 2008-2010  - 15 renovated offices  - 17 offices with installed LAN  - Hardware and software support provided to 30 offices  - Level of ICT literacy assessed in 30 offices  - Analysis of the situation with internal regulations and documents management system undertaken and action plan developed  - Contributors database available in SSPF supported by the databases of MoIA, MoJ, MLSPP, MoT, MCIT  - 5 regional offices maintain remote data exchange with SSPF HQs  - Back-up server centre is established  - All business processes are automated  - SPPF offices use modern ICT systems  - Clients of SSPF submit their data electronically  - About 2 million notifications sent to insured people  - Database contains accurate data on participants of the social insurance system |
| Activities: | 2008-2010  Activity 1: Continue renovation of rayon offices  Activity 2: Continue supplying of furniture  Activity 3: Continue installing LANs  Activity 4: Provide hard- and software  Activity 5: Assess ICT literacy in SPPF branch offices  Activity 6: Advisory support to eliminate gaps in data management system  Activity 7: Ensure inter-agency data exchange for the creation of One Stop Shop window for registering legal and individual entities  Activity 8: Enhance technological capacities of SPPF regional offices  Activity 9: Ensure receiving and processing applications and declarations from citizens  Activity 10: Organize training for SPPF personnel on financial forms, legal frameworks, cross-checking procedures  Activity 11: Install MIS in all branch offices and ensure the efficiency of its use for data processing on a daily basis  Activity 12: Establish a back-up server centre  Activity 13: Inform the social insurance system participants on their contributions made in 2006-2008  Activity 14: Manage and monitor project implementation including sharing local experience with other social security institutions world-wide  2011-12:  Activity 1: Develop infrastructure for 7 offices  - Needs assessment  - Procurement of furniture and equipment  - Timely delivery, installation and handover of procured equipment and LAN  Activity 2.1: Establish MIS in 26 SSPF branches and make it operational in 100% of offices  - Analysis of gaps in MIS roll-out process  - Procurement of services for further development of software modules to automate business processes in SSPF  - Procurement of MIS computer equipment  - Timely delivery, installation and integration of procured equipment and developed software  - Provision of training on the use of MIS for SSPF offices and regular monitoring of its use  Activity 2.2: Fill in the central SSPF database with clear and accurate data  - Recruitment of consultants to support data clearing and systematization  Activity 3: Manage project according to the established plan (in addition to standard project management activities)  - Monitor the implementation of project objectives in branch offices  - Share experience with social security institutions world-wide |
| Implementing Partner: | State Social Protection Fund |
| Project period: | 2003 – 2012 |
| Total project budget for the period: | 12,929,726 USD (including 3,133,230 USD in 2011-2012 Phase) |
| incl. UNDP input: |  |
| incl. Govt input: |  |
| Total project budget for the period(s): | 2003-2010 Phase: 10,194,666 USD  2011-2012 Phase: 3,133,230 USD |
| incl. UNDP input: | 2011-2012 Phase: 270,428 USD |
| incl. Govt input: | 2011-12 Phase: 2,862,802 USD |

**Annex 1.3 – Internet Governance Forum**

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| **Establishment of the Internet Governance Forum (IGF) Secretariat** | |
| UNDAF Outcome 3: | By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcome 3.2: | Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches |
| Outcome Indicator(s): | Implement five IT innovations contributing to increased transparency in public administration |
| Project objective(s): | Establish the IGF Secretariat with the relevant capacity to oversee all relevant organizational issues related to organization of the IGF meeting in Baku and ensure successful management of the event in the fall of 2012 (with the positive feedback from participants). |
| Expected Output(s): | Strong local capacity is in place to successfully conduct the IGF 2012 in Baku |
| Baseline: | Government of Azerbaijan will host the meeting of IGF in the fall of 2012 for the first time.  There is a necessity to undertake serious preparatory works and create strong national capacity to accommodate such high level UN mandated event in Baku. |
| Indicator: | No. of participants attending IGF 2012  No. of panel sessions organized |
| Output targets: | 1. At least 1,200 participants attend the meeting of IGF 2012 in Baku  2. At least 4 panel sessions organized at the meeting of IGF 2012 in Baku |
| Activities: | Activity 1: IGF Secretariat is established and operational at least 5 months prior to the launch  Activity 2: Preparatory works for IGF 2012 is completed  Activity 3: IGF 2012 is launched |
| Implementing Partner: | Ministry of Communications and Information Technologies |
| Project period: | 2012 – 2013 |
| Total project budget for the period: | 2,870,000 |
| incl. UNDP input: | 150,000 |

**Annex 1.4 – Civil Service Reform**

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| **Good Governance through Civil Service Reform (Phase III)** | |
| UNDAF Outcome 3: | By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcome 3.2: | Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches |
| Project goal(s): | To strengthen the capacity of the staff of the Civil Service Commission (CSC) and staff of the HR and legal departments of the central and local government agencies, including ethics commissioners, to monitor and implement the law on Ethical Behaviour Rules of civil servants;  To develop competencies of civil servants at central and local level for the implementation of the performance appraisal system |
| Expected Output(s): | Capacity of Civil Service Commission under the President and civil servants from state institutions to implement the ethics code and performance appraisal system increased (Merit-based recruitment of civil servants supported and the CSC’s capacity enhanced) |
| Baseline: | **Baseline**  1) Performance appraisal system was not introduced in any government institution  2) Number of state institutions have piloted a performance appraisal system |
| Indicator: | 1) Ethics commissioners do not have necessary methodology and tools to perform their functions effectively  2) Number of appointed ethics commissioners were trained on Rules and Ethics Conduct |
| Output annual targets: |  |
| Activities: | 2012  **Activity 1:** Organize competitive recruitment examination undertaken by the CSC and enhance capacities of its staff  **Activity 2:** Train staff of the CSC, human resources and legal departments of central and local government agencies, including ethics commissioners, to monitor and implement the law on ethical Behaviour Rules of Civil Servants  **Activity 3:** Train civil servants on the performance appraisal system to ensure understanding thereof |
| Implementing Partner: | Civil Service Commission under the President of the Republic of Azerbaijan |
| Project period: | 2012 |
| Total project budget for the period: | 200,000 USD |
| incl. UNDP input: | 100,000 USD |
| incl. Govt input: | 100,000 USD |

**Annex 1.5 – Support to MFA**

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| **National Capacity Building Programme for the Ministry of Foreign Affairs of the Republic of Azerbaijan** | |
| UNDAF Outcome 3: | The State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcome 3.2: | Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches |
| Project goal(s): | To increase the efficiency and transparency of MFA operations through the application of ICT tools and support to the roll-out of new communication systems to Azerbaijan’s embassies. With the help of the project, the MFA expects to build internal training capacities, to strengthen its human resource management, to upgrade its information systems, and to improve communication internally, with other government bodies, and with civil society and the general public. |
| Expected Output(s): | Operational capacity, business processes and human resources of the MFA further developed and strengthened (Improved quality, reliability and security of internal communication between the Ministry of Foreign Affairs and its diplomatic missions abroad) |
| Baseline: | **Baseline:**  Over the project’s course (2005-2011) 16 embassies were connected to the upgraded communication system |
| Indicator(s): | - Number of embassies to be connected to the upgraded communication system  - Secure voice and data exchange is enabled  - Calls are free of charge |
| Output annual targets: | 2010  **Target 1:** 16 embassies connected  **Target 2:** Secure voice and data exchange is enabled  **Target 3:** Calls are free of charge |
| Activities: | 2011  Identify needs for infrastructure development  2012  Prepare tender documentation  Procure computer equipment  Install and hand-over the procured computer equipment |
| Implementing Partner: | Ministry of Foreign Affairs |
| Project period: | Oct 2011 – Sep 2013 |
| Total project budget for the period: | 353,000 |
| incl. UNDP input: | 110,000 USD |
| incl. Govt input: | 243,000 USD |

**Annex 1.6 – Customs Service Modernization**

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| **Modernization of Customs Service in the Republic of Azerbaijan** | |
| UNDAF Outcome 3: | By 2015, the State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcome 3.1: | Efficiency, accountability and transparency is enhanced through capacity development of State Entities, including gender sensitive approaches |
| Project goal(s): | To strengthen capacity of customs control at air transport and special operations of the State Customs Committee with the purpose of speeding up customs clearance of air cargo, processing of passengers and prevention of smuggling. |
| Expected Output(s): | Capacities of the Customs Administration are enhanced in fight against smuggling and definition of targets at Air Transport on the basis of modern technologies (Support to State Customs Committee in establishment of the Target Centre in Head Department of Air Transport) |
| Baseline: |  |
| Indicator: |  |
| Output annual targets: |  |
| Activities: | 2011-2012  **Activity 1:** Target Centre (TC) in Head Department of Air transport at the airport is established  - Target Centre at the administration building of the Head Department of Air Transport (Baku, Heydar Aliyev international airport) is established  - Computer network and centre server connecting in Nakhichevan, Ganja, Lankaran and Zagatala are established  - Automated system for air cargo registration is developed  - System of financial monitoring control over currency values is developed  **Activity 2:** Increasing capacities of customs personnel in the application of new technologies and operations management  - Improved information flow of relevant reports, statistics and directions is ensured between TC and SCC Head Office  - Training for customs personnel on application of modern equipment are conducted  **Activity 3:** Familiarization with best practices in target definition field  - Best practices in the field of customs violations for Target Centre are identified  - Reports, information materials are translated and shared with management of SCC  - Study tour to developed countries with best practices are organized for the TC users and its activity provider parties |
| Implementing Partner: | State Customs Committee |
| Project period: | 2006 – 1st phase (co-funded by the EU)  2007-2010 – 2nd phase  2011-2012 – 3rd phase |
| Total project budget for the period(s): | 1st phase – 800,000 Euro  2nd phase – 600,000 USD  3rd phase – 500,000 USD (including 49,440 USD in 2011) |
| incl. UNDP input: | 2nd phase – 100,000 USD  3rd phase – 80,000 USD |
| incl. Govt input: | 2nd phase – 500,000 USD  3rd phase – 420,000 USD |

**Annex 1.7 – Youth Participation**

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| **Youth Participation in Decision Making and Policy Implementation** | |
| UNDAF Outcome 3: | The State strengthens the system of governance with the involvement of Civil Society and in compliance with its international commitments, with particular emphasis on vulnerable groups |
| Expected CP Outcome 3.1: | By 2015, civil society, media, and vulnerable groups enjoy an increased role in policy formulation and implementation processes |
| Project goal(s): | To empower the young people of Azerbaijan to participate in decision-making more actively by contributing to policy planning and policy outcomes, and to develop their capacity as future leaders and public servants. The project will provide young people with knowledge and skills to identify and advocate for youth-specific outcomes in the state programmes and strategies; attract more youth to the civil service; and strengthen young people’s capacities to participate at the international fora. The purpose is to assist the government in implementation of the State Programme on Azerbaijani Youth 2011-2015. |
| Expected Output(s): | Youth empowered to be more active in the governance sector and their capacities developed as future leaders and public servants |
| Baseline: | **Baseline 1.1:**  a) There are insufficient capacities to apply youth mainstreaming to sector-policy making  b) SPAY contains specific actions but does not have M&E framework  Baseline 1.2: Youth capacitates to participate in international fora is not sufficient  Baseline 1.3: There is no training programme for interns in civil service |
| Indicator: | **Indicator 1.1:**  a) Methodology of youth mainstreaming developed and number of youth trained to apply the methodology  b) M&E methodology developed  **Indicator 1.2:** Number of youth actively participating at international form  **Indicator 1.3:** Number of interns benefitting from programmes |
| Output annual targets: | 2012  **Target 1.1:**  a) Youth mainstreaming methodology developed  b) At least one training held on SMART indicators and M&E framework developed  **Target 1.2:** Youth has contributed to the development of Azerbaijan Vision 2020  T**arget 1.3:** Internship programme finalized  2013  Target 1.1 Training on application of Youth mainstreaming methodology held for at least 30 persons  **Target 1.2**: Youth capacities to participate in substantive debates/negotiations has increased through discussion series, simulation exercises and web-journalism training covering at least 50 persons  **Target 1.3:** Policy making managerial and communication capacities of youth increased through delivery of trainings to at least 50 persons |
| Activities: | 2012  **Activity 1.1:** Youth mainstreaming  1.1.1.Developing analytical methodology on youth mainstreaming into state policies  1.1.2.Training workshop for the MYS staff on development of smart indicators  1.1.3.Supporting the MYS with SPAY indicators development  **Activity 1.2:** Voices of Azerbaijan  1.2.1.Youth camp with a theme of Azerbaijan 2010  **Activity 1.3:** Civil service internships  1.3.1Development of legal framework internship programme in state institutions  2013  **Activity 1.1:** Youth mainstreaming  1.1.4.Training workshop on youth mainstreaming methodology  **Activity 1.2:** Voices of Azerbaijan  1.2.2.Series of discussion clubs and expert-led panel discussions  1.2.3 Training on public presentation and speech making skills  1.2.4 Simulation of UN Security Council or international conference gathering 1.2.5 Training workshop on web-journalism  **Activity 1.3:** Civil service internships  1.3.2 Policy skills workshop  1.3.3 Workshop on leadership development and management skills  1.3.4 Training seminar on presentation and communications skills  1.3.5 Training on gender/disability issues |
| Implementing Partner: | Ministry of Youth and Sports |
| Project period: | June 2012 – December 2013 |
| Total project budget for the period: | 210,000 (incl. 90,000 for 2012 and prior years) |
| incl. UNDP input: | 210,000 (incl. 150,000 from the DGTTF Civic Engagement |
| incl. Govt input: | 0 |

# Annex 2 – List of persons met during the evaluation mission in Baku, 10-14 December 2012

**UNDP Azerbaijan**

Ms. Nato Alhazishvili – Deputy Resident Representative

Ms. Jamila Ibrahimova – Assistant Resident Representative

Mr. Elnur Khalilov – Good Governance Programme Advisor, Evaluation Coordinator

Mr. Shamil Rzayev – Good Governance Senior Programme Advisor

**Project personnel**

Mr. Mushtag Eyubov, State Customs Committee, Project Manager, Customs Modernization project

Mr. Oktay Ibrahimov, State Social Protection Fund , Project Manager, Pension Reform project

Ms. Kamala Musayeva, Ministry of Youth and Sports, Project Manager, Youth Participation project

Mr. Aga-Kerim Samad -zade, Ministry of Justice, Project Manager, Civil Registry project

Mr. Azer Bayramov, Civil Service Commission, Project Manager, Civil Service Reform project

Mr. Fariz Mammedov, Ministry of Foreign Affairs, Head of IT Department, Project Manager, Capacity building programme for the Ministry of Foreign Affairs project

Mr. Murad Maksudov, Ministry of Communications and IT, Project Expert, Internet Governance Forum project

# Annex 3: Good Practices – case descriptions

In this report a number of good practices have been mentioned. Below is the description of three illustrative cases:

* Establishment and Development of the State Register project
* Capacity Building for the State Social Protection Fund project

The main criterion of defining these projects as Good Practices is their multiplying catalytic effects leading to large-scale improvements in organizational functioning, ways and quality of service delivery, end-user benefits in the field of human development, institutionalization and sustainability, support to good governance, as schematically illustrated below.

## Illustrative case study 1: State Register of Population

***What is it good at?*** Collection, processing, storing data on population.

***Why is it a Good Practice?*** Meets Good Practice criteria. The Register has completely reformed and in many ways created anew a technologically modern system of population data which is crucial for making policies and taking decisions in Government.

***What is the State Register of Population?*** A fully functioning Automated Population Registration Information System containing individual information on citizens. Technically, the system is integrated with other state information systems and is able to share data.

***How it has started and evolved?*** Originally, the project tackled a very specific task – to collect, systematize and store personal information that was available form a number of sources. One source was the registration forms collected by the Interior Ministry for issuing identification documents – the new ID Card starting from 1999 – and residence permits by local registration branches, or passport desks, where people apply for such documents and permits. The problem was that while information was submitted by citizens, it was actually not collected, stored and used. To fill in this gap, the project began gathering personal data from the submitted application forms, including those dealing with migration and residence change.

Another source of information was local offices registering the change in civic acts and issuing birth, death and marriage certificates. The collected data allowed establishing the existing but not always documented kinship relations between individuals, which was not possible to do in the past when data were not systematized and compared.

However, the Ministry of Justice, did not share the collected full set of data back of the Ministry of Interior; it was done in relation only to selected data that were needed for the work of the Interior Ministry. It was the right decision in the absence of clearly established and enforced legal and regulatory base guarding personal data protection.

An entirely a new digital database was created, in which each citizen is assigned a unique ID. The digitalization of millions of population-related records through optical scanning took seven years of work of 160 Register’s employees. Over 140 computer operators were entering 18-19 thousands records daily, in parallel with their verification. In 2012, the digitization work has been completed. Data verification continues as the accuracy of this information is key. This is not just digital data, this information documents national history of Azerbaijan.

***Challenges.*** Now the main question is how to use these data of the total volume of several terabytes of scanned copies and entered data? For example, how to integrate the Register’s database with other state databases of various government institutions (Ministry of Education, State Property Committee, Ministry of the Interior, Social Protection, etc.) without compromising data protection? This task is called semantic and organizational inter-agency (G2G) interoperability. Until now, the data exchange has been undertaken on a limited scale, usually upon individual requests that are considered on a case by case basis due to security and data leaking concerns. Such an interoperability framework would address the issue of security and propose an adequate regulatory environment to guard personal data and thus citizens’ privacy as a fundamental right.

The Register’s system can share data works effectively – the data can be used and re-used with the same accuracy, which is guaranteed by the unique ID and which excludes errors. This is very important for, e.g., where accuracy of data means the effective use of budgetary resources.

***What are the impacts?*** A completely new infrastructure has been created – informational, technical, human. The process of policy making has been made more adequate thanks to the reliable, accurate and objective socio-economic and demographic data.

***What’s next?*** Completely new opportunities have been emerge recently in expanding the range of the public sector information that is being open up – in the field of Open Government and Open Data. A seemingly technical solution of data digitalization and its subsequent publicness becomes a true instrument of better governance trough data openness, use and re-use.

It is recommended that UNDP and other stakeholder consider at least four directions of future work in order expand the benefits of this Good Practice.

One is to continue supporting the Register in improving the back-office infrastructure – both human and technical by further building internal capacities, for example, in better business process management and external communications. Another area would concern data exchange and sharing through the formulation of relevant inter-agency interoperability frameworks paying special attention to information security and private data protection. The third direction is to start building the front-office capacity to service external clients (citizens, businesses, media) more directly through online interaction with them as far as the management of their data is concerned. The fourth one would be building analytical and presentation capabilities to opened up and present the data for the public in an attractive form, for example, by data aggregation and visualization in specific subject areas for easier viewing, navigation and consumption online.

Greater openness and analytical processing of available information would serve many educational and outreach purposes, directly help businesses take right decisions using accurate, objective and up-to-date socio-demographic data, and eventually stronger contribute to transparency and accountability in government, a major objective of the outcome under evaluation.

## Illustrative case study 2: State Social Protection Fund (SSPF)

***What is it good at?*** Management of the system of collection of social insurance contributions.

***Why is it a Good Practice?*** Meets Good Practice criteria. The Fund has created from scratch a technologically modern system of governance of social insurance and pension provision which is crucial for fighting poverty, greater social justice, and public sector transparency. The new system has significantly increased the amount of contributions (by 70%) and brought the contributing participants out of the “shadow economy”. Before the SSPF modernization, there was a negative balance between contributions made and pensions paid, i.e. the collected amount was smaller than the pension payments. The fairness of the pension system is an important indicator of the country’s human progress in general; therefore, improving pension provision had a catalytic effect on the overall human development status of Azerbaijan.

***What is the Social Protection Fund?*** A fully functioning client-oriented, country-wide automated system that manages some 2 million individual accounts in the field of social protection. Technically and organizationally, the system is vertically integrated allowing data exchange across 86 local brunches. The SSFP has been crucial in advancing pension reform in Azerbaijan. The URL is [www.sspf.gov.az](http://www.sspf.gov.az).

***How it has started and evolved?*** UNDP and the World Bank started assisting the SSPF in parallel and complementary manner in 2003. While a lot of financial resources has been invested in the creation of modern technical infrastructure and in building human capacities to manage it effectively, from the very start of the project it was seen as a means of eliminating corrupted practices in pension provision, It has been achieved through the removal of monopoly on information that local social insurance inspectors used to possess and who acted often as the “tsars” undermining public confidence in the universal fairness of state institutions.

Numerous functions have been reviewed, job descriptions changed, competencies improved. Staff was redistributed but not downsized. All data starting since 1992 have been digitized, synchronized, data exchange protocols established with other agencies (Interior Ministry, Population Register). Legal and regulatory environment of the social protection and pension reform has been changed fundamentally. Over 13 thousand of users among legal entities and individual entrepreneurs sent their reports electronically in 2012.

The history, work, achievements of the SSPF and the challenges of the pension reform in Azerbaijan have been well and exhaustively described in publications, as indicated in the footnote on page 31.

***What are the impacts?*** A completely new infrastructure in the field of social insurance and pension provision has been created – informational, technical, human. However, the main impact has been, in the words of the Project Manager, the change in mentality, in approaches towards challenges, in their very perception and in the ways of meeting these challenges using modern technology. A completely new field of jobs has emerged as a result. New functions have been formed, more responsible and satisfying.

***Challenges.*** The main challenge is the “catastrophic” - as the Project Manager describes it - shortage of qualified ICT specialists. The main challenge is to protect data, expand the scope and quality of online services, increase the number of registered users (SSPF accounts) and the volume of collected contributions, improve the efficiency of internal business processes.

***What’s next?*** It is recommended that UNDP and other stakeholder consider at least four directions of future work in order expand the benefits of this Good Practice.

A lot of completely new opportunities emerge these days in the field of Open Government and Open Data. Given the political importance of the effectiveness of social protection and pension provision, it is advised to further raise its efficiency and fairness by improving internal business processes, on the one hand, and to consider opening some data that could be of public and good governance interest, on the other.

1. Living Lab is a user-centric, [open-innovation](http://en.wikipedia.org/wiki/Open_innovation) research-based ecosystem, often operating in a territorial context (e.g. city, agglomeration, region), in the form of public-private-people partnerships <http://en.wikipedia.org/wiki/Living_lab>, <http://www.openlivinglabs.eu/>, <http://www.openlivinglabs.eu/llmap_cc> [↑](#footnote-ref-1)
2. The project evaluations provide a detailed and convincing account of the change and modernization process these agencies have gone through [↑](#footnote-ref-2)
3. For further guidance, see UNDP publication *E-Government Interoperability: Overview*, 2007 [↑](#footnote-ref-3)
4. The latter is authored by Salim Muslumov and Oktay Ibrahimov in the *Development & Transition* Newsletter (number 12, 2009). [↑](#footnote-ref-4)
5. *Building an Effective Pension System: Capacity Development of Azerbaijan’s State Social Protection Fund as a Core-stone for Improving Age Security* (page 4) [↑](#footnote-ref-5)
6. Dr Oktay Ibrahimov [↑](#footnote-ref-6)
7. The United Nations Department for Economic and Social Affairs (UNDESA) and the International Telecommunications Union (ITU) [↑](#footnote-ref-7)
8. Based on the Event Report [↑](#footnote-ref-8)
9. *Civil Service in Azerbaijan: Overview*. UNDP Research Study (unpublished) [↑](#footnote-ref-9)
10. For example, the CSC registration system is connected to the database of the Interior Ministry to verify the applicant’s legal address, name and even import his or her picture which automatically is pasted on the application. [↑](#footnote-ref-10)
11. That was the case, for example, for the workshop on youth mainstreaming indicators held in September 2012 with support from the Bratislava Regional Centre [↑](#footnote-ref-11)