Outcome Evaluation

Country Programme Outcome 1: National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks

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ABSTRACT

The purpose of the evaluation is to take stock and evaluate UNDP contribution towards economic development resulting in better and more equitable job opportunities and more competitive private sector, as envisaged under Outcome 1 and Outcome 2 of the Country Programme. The evaluation findings and judgments are based on evidence that will support UNDP strategic thinking for its new programme cycle, specifically in determining its strategic priorities in supporting the Government in the area of economic development.
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## Abbreviations

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<tr>
<td>BTVS</td>
<td>Baku Tourism Vocational School</td>
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<td>CPD</td>
<td>Country Programme Document</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Agency</td>
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<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GIZ</td>
<td>Die Deutsche Gesellschaft für Internationale Zusammenarbeit</td>
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<td>IOM</td>
<td>International Oranisation for Migration</td>
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<td>MGIMO</td>
<td>The Moscow State Institute of International Relations</td>
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<td>MS</td>
<td>Member state</td>
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<td>OECD DAC</td>
<td>Development Assistance Committee of the Organisation for Economic Co-operation and Development</td>
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<td>OSCE</td>
<td>Organization for Security and Co-operation in Europe</td>
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<td>SBS</td>
<td>State Border Service</td>
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<td>SCC</td>
<td>State Customs Committee</td>
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<td>SCIBM</td>
<td>South-Caucasus Integrated Border Management</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>USA</td>
<td>United States of America</td>
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Executive Summary

UNDP Country Programme document (CPD) for 2011-2015 is directly based on the United Nations Development Assistance Framework (UNDAF) for Azerbaijan (2011-2015). The UNDAF was formulated in consultation with the Government of Azerbaijan and development partners and is aligned with the State Programme for Poverty Reduction and Sustainable Development (SPPRSD) for 2008-2015, which provides for achievement of the Millennium Development Goals. Under the CPD, UNDP Azerbaijan works to contribute towards the achievement of five development outcomes, out of which two outcomes (Outcome 1 and Outcome 2) have been the subject of the Evaluation. Two individual reports have been prepared in response to the Terms of Reference (ToR) requirements. This document represents the Evaluation of the Outcome 1.

Evaluation Objective

Evaluation assesses collective results of UNDP interventions towards achieving positive contributions to the Outcome 1 of the UNDP Country Programme Document: «Country Programme Outcome 1: National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks». Under Outcome 1, UNDP implements the following projects: Support to Baku Tourism Vocational School and the South-Caucasus Integrated Border Management (SCIBM).

An evaluation of the Outcome was conducted in the period of November 2014 - January 2015 with the objective to assess the progress and achievement of the outcome as well as the contribution of UNDP’s support towards the desired outcome. Evaluation also proposes measures to increase the relevance, effectiveness and efficiency of UNDP’s cooperation in addressing private sector competitiveness and reducing vulnerability of economy and population to external shocks.

Development Context

While the Government recently declared that “Azerbaijan has completed a period of transition”, there are still several aspects of Azerbaijan’s economy showing challenges on the way to this goal. Azerbaijan’s economy is highly dependent on the oil sector, which accounts for half of GDP. The growth in the rest of the economy remains modest. The economy remains vulnerable to the potential external shocks, particularly to volatility of oil prices at the international market.

Major oil and gas reserves have helped the country to achieve high growth rates in recent years, but have also hampered successful diversification of the private sector. Azerbaijan faces the need to build a competitive industrial base and a fully developed services sector outside the oil and gas industry, in order to develop a sustainable and non-oil-dependent economic climate. Still, Azerbaijan is one of the 50 most competitive economies in the world. In 2012 the country rose from its previous year position of 55th place to 46th. The 2013-2014 Global Competitiveness Index has raised Azerbaijan’s ranking to the 39th place out of 144 countries. According to other reports about doing business globally and being competitive, Azerbaijan showed improvements in the areas of paying taxes, resolving insolvency, trade across borders, dealing with construction permits, and getting electricity (181st).
As a result of general economic dynamism in the last few years, along with significant increases in wages and pensions, poverty has been reduced according to official statistics to 5.3 percent in 2013. The percentage of people living below the national poverty line is thus considerably lower than in neighbouring countries, pointing to the general impression that the growth has been pro-poor and generally broadly based.

**Evaluation process and methodology**

The evaluation was structured into three phases: Inception (November 2014), Data collection (December 2014), and Analysis and Reporting (January 2015). The evaluation used a non-experimental design in the absence of realistic comparators or counterfactuals, and in view of the available evaluation time and resources. It encompassed a country-level assessment focusing on the relevance and performance of UNDP towards achievement of Outcome 1 in Azerbaijan; as well as a project level assessment reflecting on overarching themes and issues (such as contextual influences at local and national levels) affecting implementation of projects contributing to the Outcome 1. The overall approach to the evaluation was utilization-focused and followed a mixed method approach.

The evaluation used three main sources of data: i) People; ii) documents, files, publications and relevant literature; and iii) observations during the site visits to local communities outside of Baku (which took place in the period of December 2014 – January 2015).

To ensure validity of data, and as part of the process of synthesizing information derived from different data sources and through different means of data collection, the Evaluator used triangulation (comparing data generated from different data sources to identify trends and/or variations); and complementarity (using data generated through one method of data collection to elaborate on information generated through another).

The Evaluator utilized both qualitative and quantitative approaches to data collection and data analysis. Stakeholder participation was fostered through individual and group interviews and focus group discussions. To analyze data, the consultant employed quantitative and qualitative (descriptive, content, comparative) and techniques.

**Key findings**

**Relevance**

UNDP’s interventions within the framework of the Outcome 1 are relevant to the national priorities of the government, while they moderately respond to the needs of women and vulnerable groups. Particularities and specific interests of women and vulnerable groups have been taken into account to moderate extent by projects contributing to Outcome 1.

**Effectiveness**

Evaluation findings as regards contribution to envisaged results is partial as many of the areas highlighted in the Outcome 1 were not or were partially addressed due to the limited outreach and scope of projects contributing to the Outcome 1. The results at output level delivered by UNDP affected the outcome positively and effectively. Particularly strong contributions were noted in relation to strengthening institutions through modeling new systems and mechanisms, which gathered valuable lessons and knowledge, towards institutional development. Still, while the government and partners of SCIBM Project succeeded in continuing the project efforts with new lines of
funding; the continuation and expansion of achievements of Project to support BTVS is threatened by the lack of financial resources. The results at project and outcome level do not put emphasis on gender, which does not enable equal benefits to men and women equally.

The main factors supporting progress towards achievement of objectives has been extensive expertise of UNDP in facilitating dialogue and developmental processes. Another critical enabler for the achievement of Outcome is UNDP’s comparative advantage in defining and delivering planned outputs, as well as UNDP’s appropriate and effective approach to building and maintaining partnership.

The main hindering factors and contextual influences limited results achievement. These include a challenging overall status of funding and donor commitment to the areas of focus of UNDP interventions within this Outcome. At operational level, discrepancy between available funds and related project interventions and ambitious Outcome set within the UNDP’s country programme document is a hindering factor. Effectiveness of current set of indicators in informing the progress made towards the outcome is poor. Indicators set for the Outcome follow the overly ambitious Outcome definition, making it difficult to substantially assess UNDP’s contribution to the desired change in the economic sphere.

Sustainability

Overall, sustainability prospects of the projects implemented within the Outcome 1 are generally positive. The Government commitment and support to projects is strong, while the projects strengthened capacities of counterparts. Still, there are some concerns about the sustainability of the BTVS course once external assistance phases out at this stage, as project are still in the initial or mid-term level of implementation.

Efficiency

UNDP used the available project funds strategically and efficiently to achieve the envisaged results of projects. Synergies and complementarity of efforts was ensured through close cooperation with the government and alignment of interventions to national priorities. Evaluation data derived from document review and stakeholder consultations indicate that UNDP complemented and generated synergies with the work of other development partners (in particular national government, GIZ, European Union), while avoiding duplication and overlap of efforts.

Recommendations

For the new Country Programme:

- UNDP’s new Country Programme should maintain the momentum of being a facilitator and leader of dialogue and sharing international best practices for economic diversification and increasing private sector competitiveness.
- To align the new Country Development Programme with the realistic ratio of needs and available funding for the thematic areas falling within the overall portfolio.

For strengthening the overall performance and impact of the overall Programme for economic development, it is recommended to UNDP:

- To strengthen a coherent programmatic approach with projects complementing each other for a common goal. Programme and related projects need to be further streamlined in the equal economic
development and strengthening economic diversification clusters of projects.
- To continue the process of increasing impact through concentrating efforts on a smaller number of projects with longer intervention periods and higher budgets.

At operational level, it is recommended to:
- Develop exit strategies for each project from the onset of Project implementation.
1. Development Context

While the Government recently declared that “Azerbaijan has completed a period of transition”, there are still several aspects of Azerbaijan’s economy showing challenges on the way to this goal. After scoring impressive growth rates in the last few years the gross domestic product (GDP) grew only by 2.1% during the first half of 2014, decreasing from 5.0% in the same period in 2013. As Azerbaijan’s economy is highly dependent on the oil sector, which accounts for half of GDP, the slowdown reflected mainly a contraction in the oil sector. Azerbaijan’s economy continues to depend on the revenues from the oil sector, while major share of exports falls on hydrocarbons. The growth in the rest of the economy remains modest. Despite the slowdown, the growth forecast for 2015 are maintained due to the expected catch up in the oil production (despite low oil prices currently) and due to the government’s regional development program set to raise demand for real estate in 2015. Given the declining oil prices a squeezing of export earnings and narrowing the national current account surplus is expected. Generally, the economy remains vulnerable to the potential external shocks, particularly to volatility of oil prices at the international market. External trade remains robust despite lower oil production during 2014. The current account surplus narrowed slightly to $6.2 billion in the first half of 2014. However, the trade balance for the full year is projected to be unchanged. Accordingly, the Update maintains the forecasts for current account surpluses in 2014 and 2015.

Major oil and gas reserves have helped the country to achieve high growth rates in recent years, but have also hampered successful diversification of the private sector. To develop a sustainable and non oil-dependent economic climate Azerbaijan has to build a competitive industrial base and a fully developed services sector outside the oil and gas industry. Diversification of the non-oil sector is an important step for the country, which also has to be accompanied by putting a stronger focus on improving local and regional infrastructure and improving performance in the justice system and public sector.

With regards to competitiveness of Azerbaijan’s economy, Azerbaijan is one of the 50 most competitive economies in the world. In 2012 the country rose from its previous year position of 55th place to 46th. The 2013-2014 Global Competitiveness Index has raised Azerbaijan’s ranking to the 39th place out of 144 countries. Even though the report cites corruption, tax rates and inadequately educated workforce as the top three problematic factors for doing business in Azerbaijan, the spot in the ranks still reflects a rather positive development of country’s competitiveness. According to other reports about doing business globally and being competitive Azerbaijan should particularly emphasize improvements in the areas of paying taxes, resolving insolvency, trade across borders, dealing with construction permits, and getting electricity (181st).

As a result of general economic dynamism in the last few years, along with significant increases in wages and pensions, poverty has been reduced according to official statistics to 5.3 percent in 2013. The percentage of people living below the national poverty line is thus considerably lower than in
neighbouring countries, pointing to the general impression that the growth has been pro-poor and generally broadly based.

2. Introduction

In November 2014, following a competitive selection process, United Nations Development Programme (UNDP) in Azerbaijan contracted Ms Zehra Kacapor-Dzhic (Evaluation Expert) to conduct the Outcome evaluation of UNDP’s programmes contributing to Outcome 1 and Outcome 2 of the current UNDP Country Programme Document (CPD). The Evaluation Expert produced two separate reports for each outcome, and draft versions of these reports have been revised based on feedback from UNDP. This final evaluation report for Outcome 1 summarizes key evaluation findings, conclusions, and forward-looking recommendations deriving from the evaluation.

2.1 Overview of Projects falling within the Outcome 1

This evaluation assesses the collective results of UNDP interventions towards achieving positive contributions to the Outcome 1 of the UNDP CDP: «National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks». Under outcome 1, UNDP implements two projects:

Support to Baku Tourism Vocational School. The project addresses one of the main problematic factors for the private sector competitiveness - lack of adequately educated workforce. UNDP’s assistance is focused on one of the most promising sectors of non-oil development - tourism industry. Through this project, UNDP aims to raise educational standards in tourism and supply the sector with qualified labour force thereby enabling the tourism businesses to deliver better services and successfully compete in the world market. For this purpose, UNDP has supported modernization of the Baku Tourism Vocational School by upgrading learning facilities, developing new curricula for several professions and re-training of teachers.

South-Caucasus Integrated Border Management (SCIBM). Project aims to enhance strategic border management capacities; develop and establish IBM-related procedures and operations including Border Check Points (BCPs); assess the benefits of IBM approach through pilot activities; provide technical assistance to pilot BCPs and other IRM-related units.

In addition to project type interventions, UNDP is also active at the policy level by advocating for the diversification of the economy as a way to make the country more resilient to external shocks, such as global economic crisis and oil price volatility. These activities contribute to stimulating policy debates on challenges and opportunities of single-resource economies and organized several international workshops that came up with a set of recommendations to help the decision - makers in Azerbaijan shape policies to reduce the risks typically faced by resource-rich economies and ensure sustainable and equitable growth.
3. Evaluation purpose, objective, and scope

The purpose of the Outcome evaluation will be to provide UNDP with: 1) an objective review of the projects and the results of their key interventions, including successes, impediments and lessons learned; and 2) to take stock and evaluate UNDP contribution towards economic development resulting in better and more equitable job opportunities and more competitive private sector, as envisaged under Outcome 1 and Outcome 2 of the Country Programme.

More specifically, the evaluation aims to determine:

a) The extent to which the planned outcomes and related outputs have been, are being achieved, and likely to be achieved by the end of 2015;
b) The casual linkage by which outputs contribute to the achievement of the specified outcomes;
c) If and which programme processes, e.g. strategic partnership and linkages are critical in producing the intended outcomes;
d) Factors that facilitate and/or hinder the progress in achieving the outcomes, both in terms of the external environment and those internal to the portfolio interventions including weaknesses in design, management, resources etc.;
e) Added-value and comparative advantage of UNDP in contributing to the outcomes vis-à-vis other partners implementing similar programmes;
f) Lessons learnt from implementation of the interventions.

The evaluation was undertaken to assess whether and how UNDP-funded interventions in Outcome 1 contributed to the achievement of agreed outcomes. For sequencing, the report focuses on:

a) Outcome analysis - what and how much progress has been made towards the achievement of the outcome, including contributing factors and constraints?
b) Output analysis - the relevance of and progress made in terms of the UNDP outputs, including an analysis of soft-assistance activities.
c) Output-outcome link - what contribution UNDP has made/is making to the progress towards the achievement of the outcome, including an analysis of the partnership strategy?

The Evaluation Criteria were based on standard OECD DAC guidelines. As the core criteria, the evaluation was directed to assess: Relevance; Achievements (Implementation and Development Effectiveness); Efficiency of Resource Use, and Sustainability. In so doing, the evaluation also attempts to clarify the underlying factors affecting the achievements of the intervention. Particularly, it identifies unintended consequences (positive and negative), formulates lessons learned, and offers recommendations for improving future programming and fostering a partnership strategy.

3.1 Evaluation methodology

The Outcome evaluation was multi-dimensional. Quantitative and qualitative data were collected from a broad range of stakeholders, beneficiaries and non-beneficiaries to ensure independence of the process, as well as accuracy and completeness of the findings, conclusions, recommendations and lessons
learned. To gather data, a number of techniques were used and balanced each other: quantitative vs. qualitative data, individual vs. group responses, in-depth interviews vs. direct observation. Such techniques helped capture the diversity of opinions and perceptions of beneficiaries and stakeholders about Projects' strengths and weaknesses, as well as the degree of their satisfaction from participation in these projects. They also helped uncover unexpected positive or negative impacts of the projects, and the extent to which the projects contributed to achievement of Outcomes as set out in UNDP CPD. Finally, they assisted generating sound and evidence-based conclusions and recommendations on important issues to the projects and overall assessment of the two relevant outcomes of UNDP in Azerbaijan.

Given the length and scope of the projects, the consultant proceeded systematically when conducting the evaluation. First, mapping of all major activities under each project was conducted. Second, key intervention areas were prioritised. Third, within each of these areas, stakeholders and beneficiaries that need to be interviewed were identified in cooperation with UNDP. Because all projects have worked with various public institutions and other partners, as well as direct beneficiaries, the consultant conducted interviews with key informants from different stakeholder groups and random samples of assisted beneficiaries. The Consultant communicated with UNDP on the selection of samples to make sure that they are reasonably representative.

To increase the rigor and quality of the evaluation, the consultant triangulated findings. Triangulation was made possible by the various methods of data collection that were used for each major evaluation question. In addition, the consultant asked similar questions to different stakeholders that are involved in the same issue. Whenever possible, the consultant linked qualitative with quantitative techniques. The different data collected were analyzed, and the findings were related to each other. However, it is evident that even though the triangulation method may yield convergent findings, this does not mean that these findings are unquestionable. For this reason, the Evaluation consultant presented the preliminary findings - as a basis for further consultation and gaining further information and evidence from UNDP - before drafting the Final Report.

In accordance to the above, evaluation was completed through two sub-activities carried out simultaneously: qualitative and quantitative data collection. The work for the qualitative data collection was primarily conducted through interviews and other interactions with those organizations and individuals, as well as other stakeholders and partners that were involved in the activities of the projects. In addition, the consultant conducted a comprehensive review of historical information and reports pertaining to projects since their inception, and earlier, as necessary. This information was analyzed and the results were tailored to answer the main evaluation questions outlined in the ToR.

Qualitative data was collected by using a number of methods including:

- A critical desk review of materials related to all relevant projects, as well as any material that was provided by UNDP such as project reports and annual work plans, project performance management plan, data on achievement of performance indicators, etc. This review also extended to documents external to the projects that were identified by the consultant through own research or through informants, which have a bearing on the evaluation questions.
- Interviews with UNDP and project staff.
- In-depth, semi-structured interviews with representatives from the government counterparts. Semi-structured interviews were conducted as a more appropriate and valuable technique, because they allowed beneficiaries to present and explain points freely.
- In-depth interviews with a variety of representatives of partner institutions who participated/supported each project.
- Field visits and meetings with project partners in target communities as envisaged in the ToR. These visits were an opportunity to meet some of the beneficiaries, to conduct field observation, and gather best practices and lessons learned from project implementation. Particular attention was paid to interviews with women who participated in the projects in order to gauge the impact of projects’ activities on them.
- Review of project outputs against objectives and performance indicators.
- Interviews with other agencies, such as GIZ, involved in supporting economic development in Azerbaijan.
- Focus Group Discussions (FGDs) to obtain qualitative information to strengthen analysis and understand the relationship between the projects and the results they have achieved, within the given context in the country.

Quantitative data collection methods will consist of:

- Review of data sourced from the projects on indicators related to outcomes of UNDP CPD
- Collection and review of secondary data from the analysis of the legal framework for improvement of job opportunities and more competitive private sector.
- Review of data from available surveys and other studies.

Data Analysis

After finishing field mission, the Evaluation consultant processed and consolidated the raw quantitative and qualitative data collected. The analysis was based on the standard evaluation criteria adopted by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC). Evaluation findings and recommendations for future UNDP interventions were presented for comment before consultant’s departure. The final report was submitted after comments of UNDP are fully integrated.

3.2 Limitations of the evaluation

The following limitations of the evaluation process have been encountered:

- The Evaluator did not have a chance to meet wider group of representatives of different development partners (e.g. donor community, international and national organisations, etc.) active in the sector of relevance for Outcome 1). This limited the ability of the Evaluator to triangulate information regarding activities and results achieved in collaboration with the respective development partners.
- The indicators set forth for the Outcome 1 are broad and not SMART, which makes it difficult to measure the degree of progress achieved.
- Project reports are primarily activity based and presenting a summary of key immediate results achieved, not sufficiently elaborating on outcomes (changes occurring as a result of intervention) of interventions implemented, which makes it difficult to establish clear output-outcome links.
4. Evaluation findings

This chapter presents the main findings that emerge from the evaluation and is structured along the four evaluation areas (Relevance, Efficiency, Effectiveness and Sustainability). Details and illustrative examples for the findings are provided throughout the text. For each evaluation criterion an overall rating is provided that is based on the scoring rubric included in Annex III and Annex IV.

The overall finding of the evaluation is that the **Outcome 1 was set over-ambitiously**, which affects the extent to which implemented projects enabled adequate contribution to the Outcome. Namely, the Outcome 1 is defined to achieve the goal of “National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks”, while there are only two projects (SCI/MB and Support to Baku Tourism Vocational School) that were implemented to contribute to this Outcome, accompanied by a set of workshops implemented in cooperation with other development partners (GIZ) to stimulate policy debates on challenges and opportunities of single-resource economies and potential for economic diversification. These interventions only partially contribute to the Outcome 1, as they address the issues of border security and improvement of vocational education on a micro level (SCI/MB addresses one border crossing and only one Tourism Vocational school with a course for a very limited number of students), while more comprehensive interventions to strengthen national policies and institutions to increase private sector competitiveness, remove trade barriers, especially for exports, and to reduce vulnerability of the economy and population to external shocks have not materialized within the Country Programme implementation period. That is why, this section of the Evaluation report assesses primarily the projects’ achievements with review of overall Outcome against the OECD criteria. Finally, the assessment of the output-outcome link is presented in sub-section 3.5.

4.1 Relevance

According to OECD-DAC criteria, the assessment of relevance aims to determine the extent to which project activities within Outcome 1, including the overall goal and objectives, and the intended impacts and effects; are suited to the priorities and policies of the target groups.

**Evaluation question 1.1:** To what extent do the intended outcome and the relevant outputs address national priorities?

**Evaluation question 1.2:** Have UNDP interventions been relevant to women and other vulnerable groups?

**Evaluation criteria covered:** Relevance

**Overall evaluation rating for this criterion:** Good

1 Please see Annexes III and IV for further details on how this and following ratings were arrived at.
Overall finding 1. UNDP’s interventions contributing to Outcome 1 are relevant to the national priorities of the government, while they moderately respond to the needs of women and vulnerable groups.

Evaluation matrix question 1.1. Alignment with national priorities

Finding 1. The projects contributing to Outcome 1 have been relevant in view of national and international commitments and priorities of the national government.

UNDP’s contribution to Outcome 1 was aligned with existing national commitments of the government to increase private sector competitiveness, and diversification of economy as a way to make the country more resilient to external shocks, such as global economic crisis and oil price volatility. UNDP’s contribution also aligns with international commitments of the government towards increased border security and efforts for removing export trade barriers, especially for exports. It also aligns with needs to increase private sector competitiveness through the increased supply of skilled workers who can support their efforts in improving productivity and competitiveness. It also contributes to removing trade barriers as key obstacles to developing non-oil export.

Specifically, interventions undertaken within the Support to Baku Tourism Vocational School project align with the government’s efforts to put tourism to the forefront of the diversified Azerbaijan’s economy. Tourism receipts account for 2% of the country’s GDP, and the boom in the country’s oil and gas industries has given a boost to the development of the tourism sector creating a demand for more and improved accommodation facilities, infrastructure and services. The Project contributes to the ever-increasing profile of Azerbaijan as a host of high profile events, which contributes to greater international visibility and clout, such as 2015 European Games, 2017 Islamic Solidarity Games in 2017, and games of the UEFA Euro Football Championship in 2020. This is additional need for improving the country’s capacity to cope with the increasing number of tourists and growing demand for the quality service. The Project’s support is aligned with the Decision of the Cabinet of Ministers of the Republic of Azerbaijan whereby the Baku Tourism Vocational School (BTVS) was established. Interventions implemented by the projects were described by the majority of stakeholder-participants as very relevant to addressing one of the main problematic factors for the private sector competitiveness - lack of adequately educated (tourism) workforce. The project was also timely – it assisted the transfer of the school management and oversight from Ministry of Education to Ministry of Culture and Tourism towards better alignment of the educational model to the country’s tourism sector needs. The major innovations introduced by the project concerned the modernisation of training (teaching methods and subjects addressed and its increased practice orientation. These are important and fully aligned contributions to the national vocational education reforms.

The South-Caucasus Integrated Border Management Project (SCIBM) is relevant in realizing the overall goal of strengthening the border management capacities. It aligns with the special chapter on the Border Security, which was included in National Security Concept of Azerbaijan in 2007 and the Decree on “Application of ‘one window’ principle of the control of goods and transport means passing the state

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2 The Global Competitiveness Report places Azerbaijan on 38th place in its ranking. It recognizes the trade barriers as key obstacles to developing non-oil sector.
border check-points of the Republic of Azerbaijan" signed by the President of Azerbaijan Republic on November 11, 2008. Decree assigns the State Customs Committee of Azerbaijan Republic with a leading role in implementation of a single window concept.

Evaluation matrix question 1.2. Alignment with specific interests of women and vulnerable groups

Finding 2  Particularities and specific interests of women and vulnerable groups have been taken into account to moderate extent by projects contributing to Outcome 1.

The assessment of the extent to which the Programme takes into account the particular needs of women and vulnerable groups shows that the interventions within Outcome 1 have not placed gender and specific needs of vulnerable groups into the focus. Nevertheless, activities implemented within support to the BTVS have targeted both women and men.

4.2 Effectiveness

The understanding of effectiveness guiding the section is the OECD’s DAC definition, which focuses on measuring the extent to which an aid activity attains its objectives, giving consideration to the extent to which objectives were achieved and the major factors influencing the achievement or non-achievement of the objectives.

As emphasised in the introduction to the section on Key findings, Outcome 1 and its related indicators were set over-ambitionally while related interventions could realistically provide only limited contribution to overall changes in the response to economic development and reduction of vulnerabilities of economy. That is why, this section of the report presents primarily the assessment of projects' interventions with review of the overall effectiveness of the interventions towards the Outcome.

Evaluation question 2.1: To what extent the planned outcome has been or is being achieved?
Evaluation question 2.2: How have the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective?
Evaluation question 2.3: What are the challenges to achieving the outcome?
Evaluation question 2.4: Has UNDP best utilized its comparative advantage in defining and delivering these planned outputs?
Evaluation question 2.5: Has UNDP's partnership strategy been appropriate and effective in contributing to the outcome?
Evaluation question 2.6: To what extent did the results, both at the outcome and output levels, benefit men and women equally?
Evaluation question 2.7: Is the current set of indicators effective in informing the progress made towards the outcome?
Evaluation criteria covered: Effectiveness
Overall evaluation rating for this criterion: Good
Overall finding 2 Evaluation findings as regards contribution to envisaged projects' results are positive, overall. The projects achieved their planned outputs, and there is evidence of contributions to progress towards the outcome. Particularly strong contributions were made in view of strengthening the border security and capacities of the BTVS, as well as creating more skilled labour force for the tourism sector.

Evaluation matrix question 2.1. Level of achievement of planned outcome

Finding 3 Overall effectiveness of UNDP's contribution to the Outcome 1 was partial as many of the areas highlighted in the Outcome 1 were not or were partially addressed due to the limited outreach and scope of projects contributing to the Outcome 1.

The SCIBM contributed to strengthening institutional capacities for better border security, and removing trade barriers, especially for exports. This was achieved through SCIBM Programme's impact on all aspects of the border management policies and practices and laying down strong foundations for future activities aimed at modernization of Azerbaijan’s border policy. The main outcome of the project in Azerbaijan was strengthening of understanding among political authorities of the need for further development of its border management policy to adequately and timely respond to new challenges in the region. The project also contributed strongly to upgrading of knowledge and skills of border official equipping them with new modern methods that they already started to apply in their daily duties. Exposure visits organized within the project provided excellent opportunity to high level border officials to familiarize themselves with real successful examples of IBM applications on selected BCPs throughout the Europe. The project also helped to provide some addition specific equipment that improved daily operations at selected BCPs. However, the state policies envisaged as Project results were not adopted.

The Project for support to BTVS contributes to diversification of economy through professionalization of labour force for tourism sector, whereby 203 students attended trainings at BTVS in the period of 2013-2014, out of which 143 found employment as a result. The vocational education, through improvement of opportunities for development of skilled workforce for tourism sector has managed to address, although in a smaller and more targeted manner, the vital need of strengthening private sector competitiveness, and reducing vulnerability of the economy and population to external shocks.

Finally, workshops and policy dialogue that UNDP organised in partnership with GIZ provided the floor for sharing experiences and expertise between different national and international actors for diversification of economy, thus contributing to strengthening understanding and knowledge on potential mechanisms for reducing vulnerability of the economy and population to external shocks.

However, all these activities have only targeted small territorial area (one border crossing between Azerbaijan and Georgia), or population (courses included 203 students), or only two workshops aiming at stirring policy dialogue on economy diversification. Such interventions do make significant shifts at individual level, however their scope and outreach is very limited and their results do not make shifts on economy or population as a whole. Projects can be considered as piloting new models and approaches. However, they did not result in significant national policies and institutions, which would mean direct contribution to the achievement of the Outcome 1.
Evaluation matrix question 2.2. Extent to which the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective

Finding 4  The results at output level delivered by UNDP affected the outcome positively and effectively.

With regard to the effectiveness of interventions, the evaluation found that assistance has been effective in helping people develop and master their skills in different services within the tourism sector (e.g. cooking, travel agent services, waiters, etc.) Review of project reports shows that planned outputs have been achieved and that the desired results are being achieved. The Project started off with needed reconstruction of five premises where the courses were to be implemented. The premises are equipped with up-to-date equipment and tools. Also, the project commissioned local and international experts to conduct the trainings. Interventions of experts were not only important for modernising training methods and the topics dealt with, and for handing over, at least partly, the responsibility of disseminating new teaching concepts and contents to local partners, they were also a motivating factor for the teacher peers. Students interviewed confirmed these views, stressing the observed changes in teaching methods that are clearly more interactive. However, it is not entirely clear whether the course and its teachers found important allies not only among teachers, but also among school management. Also, their involvement is on project base, so it is not clear to what extent the peer education and capacity building of permanent school staff is taking place. The new premises and equipment add to the practice orientation of future technicians in the tourism sector. The project was able to also ensure that software for different profiles (e.g. Amadeus, Fidelio) albeit in demo version are available, allowing for realistic simulations of the work of hotel receptions and travel agents. The school kitchens provided to the school was an additional means to orient in-school training more directly to the practice of the students’ future vocational activities. However, the school kitchen is used primarily for the purpose of the course, and tends to be underused by school itself. One of the reasons is the lack of financial resources of the school, not permitting them to buy products with which students can work in the kitchens.

There is no evidence, for the time being, that the involvement of the school in the project has contributed to increase the attractiveness of schools for students, even though the course itself is attractive for different profiles (except housemaids and barmen). Still, the feedback of students contacted shows that they clearly appreciate the practice oriented training methods, that some of them have heard of the modernisation of the school they attend, and that this information had motivated their choice to enrol in the course. The project also succeeded in attracting a number of tourism enterprises to cooperate with the project which indicates an increase of the school’s/course’s attractiveness for the actors of the tourism sector, those for whom the project/school provide the service of preparing future staff. The rate of employment is a good indicator of course’s recognition and credibility.

The SCIBM has been very effective in contributing towards Outcome 1 through efficiently managing the coordination of capacity building programmes for IBM and ensuring adequate coverage vis-à-vis better safety and improved efficiency of the border crossings procedures. The project resulted in familiarising senior management within all major national agencies with IBM concepts and practices, and developing communication and partnership within and between senior staff of Border Agencies within both
Azerbaijan and Georgia. Agreement was also received in regard to establishing the Border Delegate system between Georgia and Azerbaijan. Awareness raising and information sharing on border crossing procedures was extended among passengers, through SCIBM Programme websites and leaflets produced and distributed among both truck drivers and transit passengers in each country.

Workshops on economic diversification in resource-rich countries co-organized by UNDP, GIZ, State Oil Fund and MGIMO gathered together academics and experts from Azerbaijan, Kazakhstan, and the Russian Federation, to discuss the need for transparency in the management and disbursement of natural resource rents as well as the manner in which economic diversification encourages efficiency and growth by channeling economic activity away from primary production in agriculture or excessive reliance on a few natural-resource-based industries, thus helping workers or their sons and daughters to transfer from low-paying jobs in low-skill-intensive farming or mining to more lucrative employment in more high-skill-intensive occupations. The workshop went in line with the UNDP’s strategy for supporting sustainable and equitable management of the extractive sector for human development.

**Evaluation matrix question 2.3. Challenges to achieving the outcome**

**Finding 5**  
Outcome 1 is very broad and requires extensive efforts of UNDP to make significant contribution. This is the main challenge: discrepancy between the available funds and related project interventions and overly ambitious Outcome set within the UNDP’s country programme document.

UNDP has established strong and durable partnership with the government and different national and international actors (from private and public sectors). This is an extremely important and valuable positive driver for success of interventions. However, the country is not high on international donor aid map anymore which limits UNDP’s potential for diversification of fundraising and financing base. Also, UNDP office is rather small, which makes it more operational but limits its outreach.

**Evaluation matrix question 2.4. Utilisation of UNDP’s comparative advantage in defining and delivering planned outputs**

**Finding 6**  
UNDP’s comparative advantage in defining and delivering planned outputs has been strong.

Evaluation data obtained through document review and consultations with stakeholders indicate that UNDP is well positioned to implement the projects thanks to the following factors:

- Its mandate of supporting countries in their development path through supporting interventions to eradicate poverty through development, equitable and sustained economic growth, and capacity development calls for investments in the projects contributing to Outcome 1.
- UNDP was able to build on a strong reputation, knowledge of, and existing relationships and more than 10 years of experience on vocation education with Ministry of Labour and Social Protection of Population and other government partners in the country, final beneficiaries as well as with other development partners active in the country.
• While some other development partners in Azerbaijan worked on issues of strengthening border security, economic development or labour markets and vocational education, UNDP is the only organization to specifically focus on the combination of these issues. No other bi- or multilateral donors had previously worked with actors such as tourism vocational school in relation to initiating new tourism profile courses with modern approaches to work and curriculum.
• As regards technical capacities, UNDP was able to build on its relevant experiences and expertise derived from other (national, global and regional) programming on economic empowerment.
• Finally, worth mentioning is the positioning of UNDP as neutral partner able to provide platform for regional cooperation on sensitive issues.

Evaluation matrix question 2.5. Appropriateness and effectiveness of UNDP's partnership strategy in contributing to the outcome

Finding 7: UNDP's partnership strategy to contribute to the Outcome was appropriate and effective.

UNDP has managed to establish strong partnerships with the Government and its respective ministries and institutions. Also, the project is one of the areas of cooperation with European Union, who provided the funds for the SCIBM project. The SCIBM Project is implemented in close partnership with the State Border Service and the State Customs Committee, and the interviews showed clear commitment and ownership over the project and its results. The Ministry of Culture and Tourism and the BTVS are partners for the Project for Support to BTVS. Interviews with relevant government counterparts show that the coordination between the different ministries and UNDP has generally been smooth and the obligations on both sides were fulfilled as per plan. All projects have staff both from respective sectoral ministry/institution and commissioned by UNDP. The projects do facilitate the work of counterparts, and partnerships have positive sustainability perspective.

UNDP also has strong partnership and respect of other development agencies, as stated by the UNDP representatives in interviews. Within the scope of evaluation, interview with GIZ was conducted and confirmed positive experiences of partnership and willingness to continue working together to maintain the policy debate on issues of economic development and growth.

Engaging the Private Sector (PS) has been a strong enabler and positive value brought by UNDP's partnership strategy. The attempt of the project to support BTVS to engage private sector actors (companies, banks, etc.) was successful and contributed strongly to achievement of results and improvement of Outcome 1 strategy. The involvement of private sector was also an added value brought to scaling up and sustaining results.

Evaluation matrix question 2.6. Extent to which the results, both at the outcome and output levels, benefited men and women equally
Finding 8  The results at project and outcome level do not put emphasis on gender, which does not enable equal benefits to men and women equally.

Interventions within Outcome 1 have not placed gender and specific needs of vulnerable groups into the focus. A gender-specific result was not conceptualized in delivery of either of the two projects contributing to the Outcome 1. Equality was not considered as a potential outcome, on the assumption that all citizens would benefit equally from improved systems and approaches. Generally, projects have no gender-based situation analysis, outcomes, outputs, indicators or activities. There is also no gender-desegregated reporting. Nevertheless, activities implemented within support to the BTVS have included both women and men as course attendees, which brought benefits to both groups. For example, Project to support the Baku Tourism Vocational School brought benefits to 125 men and 78 women who attended courses. The SCIBM Project by its nature supported a sector that is predominantly male dominated, so the results did not bring equal benefits to both women and men.

Evaluation matrix question 2.7. Effectiveness of current set of indicators in informing the progress made towards the outcome

Finding 9  Effectiveness of current set of indicators in informing the progress made towards the outcome is poor. Indicators set for the Outcome follow the overly ambitious Outcome definition, making it difficult to substantially assess UNDP’s contribution to the desired change in the economic sphere.

Indicators set for this Outcome 1 are not SMART\(^3\) and are rather vague, not allowing following the progress and assessment of achievement of Outcome 1. The over-ambitiously set Outcome 1 requires such broad indicators, which in turn makes the assessment rather negative. This is due to the fact that UNDP’s interventions were limited and small in scale, providing for limited improvements of systems or approaches (e.g. IBM policies were not adopted, but the Red Bridge border crossing between Georgia and Azerbaijan was improved dramatically; the courses organised within the BTVS are effective but address the needs of limited numbers of students).

4.3 Efficiency

Evaluation question 3.1: Has there been any duplication of efforts among UNDP’s interventions and interventions delivered by other organizations contributing to the outcome?

Evaluation criteria covered: Efficiency

Overall evaluation rating for this criterion: Excellent

\(^3\) SMART stands for Specific, Measurable, Achievable, Realistic and Time-bound
**Overall finding 3**  UNDP used the available project funds strategically and efficiently to achieve the envisaged results of projects. Synergies and complementarity of efforts was ensured through close cooperation with the government and alignment of interventions to national priorities.

With regard to project efficiency, outputs are considered to be satisfactory and in some instances having exceeded inputs. However, it is questionable whether commissioning external consultants will continue to be efficient, particularly if the transfer of ownership (e.g. from project to the school management of the Baku Tourism Vocational School) is going to take place. Delivery has been timely and support by the relevant government counterparts was positive and assisted the process. UNDP shares information and coordinates with other development partners through the thematic donor meetings, to avoid duplication of efforts.

**Evaluation matrix question 3.1. Existence of duplication of efforts among UNDP’s interventions and interventions delivered by other organizations contributing to the outcome**

**Finding 10**  Evaluation data derived from document review and stakeholder consultations indicate that UNDP complemented and generated synergies with the work of other development partners (in particular national government, GIZ, European Union, while avoiding duplication and overlap of efforts.

Range of actors support vocational education reform in Azerbaijan (including EU, bilateral donors, international organisations); however the support to the Baku tourism vocational school has been provided by UNDP and the Ministry of Culture and Tourism solely. UNDP’s efforts to strengthening the Integrated Border Management are supported by EU, and are complementary to other projects funded by EU4, FAO, World Organisation for Animal Health (OIE), as well as other actors such as EU MSs, the USA, OSCE, IOM, FRONTEX and other interested stakeholders.

**4.4 Sustainability**

**Evaluation question 4.1:** How strong is the level of ownership of the results by the relevant government entities and other stakeholders?

**Evaluation question 4.2:** What is the level of capacity and commitment of the Government to ensure sustainability of the results?

**Evaluation criteria covered:** Sustainability

**Overall evaluation rating for this criterion:** Good

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4 For example, Eastern Partnership IBM Capacity Building Project, Twinning Project: “Support to the Improvement of Legal and Technical Aspects of Food Quality and Safety Assurance and Certification Requirements of Azerbaijani Fishery Products” (2008-2010), Supporting the State Veterinary Service to prepare for a National System for the Identification of Animals and Registration of Holdings
**Overall finding 4** Overall, sustainability prospects of the projects implemented within the Outcome 1 are generally positive. The Government commitment and support to projects is strong, while the projects strengthened capacities of counterparts. Still, there are some concerns about the sustainability of the course once external assistance phases out at this stage, as projects are still in the initial or mid-term level of implementation.

Interviews with partners and stakeholders have demonstrated strong commitment, leadership, and technical capabilities to continue the efforts for improvement of the systems, approaches and mechanisms for IBM and vocational education. However, while the projects have contributed to enhancing organizational capacities, efforts undertaken to date have only ‘scratched the surface’, be it in terms of being able to reach a significant proportion of staff members (e.g. in case of IBM), or in terms of involving and securing commitment from senior level managers (e.g. in case of BTVS). In these cases, more efforts by national actors and UNDP are needed to ensure that achievements made to date can be built upon and expanded.

**Evaluation matrix question 4.1. Level of ownership of the results by the relevant government entities and other stakeholders**

**Finding 11** Level of ownership of results by relevant government entities and other stakeholders is very strong.

UNDP made appropriate and successful efforts to create and/or strengthen and facilitate partnerships and networking among national and local actors, thereby enhancing actual and potential future coordination of efforts among them, which contributes to increased ownership by government entities and other stakeholders. Close partnership and following the priorities of the government resulted in strong ownership over projects and their results. Interviews with government counterparts and project partners show high level of ownership and commitment to both projects implemented within the Outcome 1.

**Evaluation matrix question 4.2. Level of capacity and commitment of the Government to ensure sustainability of the results**

**Finding 12** The project helped create a number of conditions likely to support the sustainability of results. While certain achievements are likely to be sustained without further support, others will require additional efforts from national actors.

UNDP made largely successful efforts to create or strengthen existing conditions likely to foster the continuation and dynamic adaptation of results of the Project for support to Baku Tourism Vocational School by:

- Contributing to strengthening the overall enabling environment for addressing the need for skilled labour force in the tourism sector in the context of the labour market as regards the existing legal and policy frameworks. This included:
• Helping to develop individual and organizational capacities of key actors (teachers, Ministry counterparts), and supporting these actors in assuming or expanding their already existing leadership role as regards vocational education in the context of the labour market;

• Facilitating the institutionalization of provisions for addressing the need for practical education e.g. by helping to incorporate it as a part of professional courses for different tourism profiles;

• Genuinely supporting national actors in taking ownership of results, e.g. by ensuring that partners were not only beneficiaries, but co-creators and drivers of different initiatives;

Within the SCIBM Project, UNDP succeeded to strengthen capacity and commitment of the Government to ensure sustainability of the results by:

• Supporting and complementing government efforts to strengthen border security through introducing new mechanisms and systems to improve mobility and border management;

• Supporting actors in Azerbaijan and Georgia in exchanging experiences and ideas and learning from actors in other countries in the region and/or Europe, and helping to familiarize actors in both countries with relevant international standards and frameworks for IBM.

• Government has provided cost-sharing for the next phase of the SCIBM that can be regarded as a sign of commitment for further strengthening of the border management system.

There are some concerns about the sustainability of the course once external assistance phases out. For example, while the assistance provided by the Project to support the BTVS builds up capacities to undertake certain activities, it does not necessarily ensure that the school will maintain the practice-oriented character and continue to mobilize resources and staff after the assistance ends.

With regard to project as a whole, government counterparts are of the opinion that another phase is required, as continuity and sustainability are of paramount importance. Nonetheless, there is also an overt acknowledgement that it is the responsibility of the government to ensure the sustenance of the efforts.

The SCIBM project’s follow up through other IBM related projects shows government’s commitment and demand for continuity of the project strategies for the next period of time until the Government is able to take-over the full scope of management responsibilities vis-a-vis the sector through the sustained and effective operation of the IBM.

5. Lessons learned

Implementation of projects contributing to the Outcome 1 thus far generated important lessons learnt that are relevant for the next phase of the UNDP Country Programme. The lessons learnt are:

• Implementation of projects contributing to the Outcome 1 proves the relevance of this type of interventions selected in the UNDP Country Programme. Projects fit well within the strategic framework of the government of Azerbaijan, particularly priorities to increase private sector competitiveness, and to remove trade barriers. Projects respond to developmental context and challenges in the country.
• UNDP is a practical implementing partner, as it provides neutral and apolitical venue for supporting reforms, exchange of international experiences and knowledges, and institutional development. Particularly important is the fact that the projects’ team are composed of experienced expert staff, with extensive familiarity with the targeted thematic areas, which enhances efficiency and effectiveness of the projects contributing to Outcome 1.

• Partner government institutions are actively involved and remain committed to the projects. This support is instrumental for success of projects and their results. Other projects implemented by UNDP and other development partners might learn from these examples and UNDP should actively help them in that regard.

• It has been proved that continuous presence of donors and other development actors, either national or international is the most important element for achieving sustainability and impact at the local and national level. The prospective follow up Programme Document would be extremely beneficial for the partners since vast majority of them are still struggling to address their development needs without assistance that is provided by external actors.
6. Conclusions and recommendations

This section summarizes a number of conclusions based on the main evaluation findings.

Conclusion 1:

UNDP interventions contributing to Outcome 1 have been highly relevant in view of existing and emerging international and national commitments of the government to furthering economic growth and strengthening border security, and in light of existing gaps in mechanisms and institutional capacities of relevant actors. Still, particularities and specific interests of women and vulnerable groups have been taken into account to moderate extent by projects contributing to Outcome 1.

*Evaluation criteria: Relevance, effectiveness.*

UNDP interventions are relevant in view of existing national and international commitments. It addressed important gaps in the existing knowledge and data on economic growth, diversification of economy and border security, as well as capacity development needs of partners within and outside of the respective governments at central and local levels.

Projects contributing to Outcome 1 varied in size and scope. SCIBM had multipronged approach – broad, system-focused design of the project’s intervention focusing on strengthening institutions and their cooperation, while at the same time modeling IBM through support to modernization of one border crossing. Project to support BTVS had a narrow focus (one school) and target group (students interested in professionalization in available tourism sector profiles) to model new and innovative courses. Approaches of the two projects were appropriate in view of the knowledge and data available at project outset. Such targeted interventions and approaches contributed to gaining comprehensive insights into the existing situation and capacities for enhancing and innovating existing practices and mechanisms. UNDP was, overall, able to successfully mitigate the risk of fragmentation and spreading available resources too thin. Still, the results at project and outcome level do not put emphasis on gender, which does not enable equal benefits to men and women.

Conclusion 2:

The projects achieved, albeit to varying degrees, all of their envisaged outputs, and made contributions to the planned outcome. Particularly strong contributions were noted in relation to strengthening institutions through modeling new systems and mechanisms, which gathered valuable lessons and knowledge, towards institutional development. Still, while the government and partners of SCIBM Project succeeded in continuing the project efforts with new lines of funding; the continuation and expansion of achievements of Project to support BTVS is threatened by the lack of financial resources.

*Evaluation criteria: Effectiveness, sustainability.*

The projects engaged with all key actors involved in promoting and ensuring the effective implementation of existing border security-related obligations and commitments and supporting the development of BTVS, which was transferred to the portfolio of Ministry of Culture and Tourism. Both projects included capacity development efforts, which involved a range of strategies, including, but not limited to (tailor-made) trainings, and participating agencies considered them to be relevant and effective in view of their immediate objectives. While some project achievements are likely to have contributed to actual changes to how the respective partner organization or institution addresses their
relevant area of concern, in other cases capacity development efforts have only helped to create a basis that will require additional efforts in order to contribute to visible change in institutional/organizational practices.

Conclusion 3:

Experiences gained during project implementation are relevant to other UNDP programming in the area of supporting economic development, and other programming in similar contexts.

**Evaluation criteria: Relevance, effectiveness, efficiency, sustainability**

The project to support BTVS allowed UNDP and their government counterparts to explore comparatively new terrain within its corporate experience and expertise, such as working with representatives of the educational sector, or initiating vocational education courses in the tourism sector. The SCI BM Project contributed to strengthening close cooperation between government state border service and customs committee, which brought positive effects on efficiency of the IBM and border security.

Recommendations

For the new Country Programme:

- **UNDP’s new Country Programme should maintain the momentum of being a facilitator and leader of dialogue and sharing international best practices for economic diversification and increasing private sector competitiveness.** The challenges and issues targeted by interventions within this Outcome remain relevant and important areas to invest efforts. Still the Country programmes should adopt flexible project design and implementation mechanisms responsive to changes in the operating environment. In order to achieve sustainability, it is essential that projects retain the ability to adapt to changes in the programming context.

- **To align the new Country Development Programme with the realistic ratio of needs and available funding for the thematic areas falling within the overall portfolio.** Carefully worded outcome and related indicators are needed to provide realistic foundation for economic development initiatives that reflect the Government’s priorities, the country’s needs and available financing. The outcome should be supported by a cluster of SMART indicators to assist adequate monitoring of progress.

For **strengthening the overall performance and impact** of the overall Programme for economic development, it is recommended to UNDP:

- To strengthen a coherent programmatic approach with projects complementing each other for a common goal. Programme and related projects need to be further streamlined in the equal economic development and strengthening economic diversification clusters of projects.

- To continue the process of increasing impact through concentrating efforts on a smaller number of projects with longer intervention periods and higher budgets.

At **operational level**, it is recommended to:
• Develop exit strategies for each project from the onset of Project implementation. Analysis of the interventions implemented within the Outcome 1, their achievements, obstacles and external factors influencing the effectiveness and impact of the results points towards the finding that neither of the project has had an exit strategy. The exit strategy is needed primarily to ensure that effectiveness and sustainability prospects of interventions are carefully discussed, shared and agreed upon among partners in projects.
## Annex 1. Country Programme – Outcome 1 results framework

<table>
<thead>
<tr>
<th>Programme component</th>
<th>Programme outcomes</th>
<th>Programme indicators, baselines and targets</th>
<th>Programme outputs</th>
<th>Role of partners</th>
<th>Resources by goal</th>
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</thead>
<tbody>
<tr>
<td>Economic Development</td>
<td>1.1 National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks</td>
<td>Indicator: 1.1.1 Amount of foreign direct investments in non-oil sector Baseline: 2008 - $641.2 million Target: 25% increase</td>
<td>1.1.1 International competitiveness of private enterprises in the non-oil sector is increased 1.1.2 Recommendations implemented from national assessment to identify trade development potential</td>
<td>Government: data collection and analysis, policy development, implementation, monitoring, coordination and communication. International organizations: capacity development and support to implementation.</td>
<td>Regular resources: $974,750 Other resources: 3,300,000</td>
</tr>
<tr>
<td></td>
<td>Indicator: 1.1.2 Annual percentage increase in non-oil gross domestic product Baseline: 2009 - 3% Target: 10%</td>
<td>Indicator: 1.1.3 Volume of non-oil sector exports Baseline: 2008 - $47.756 billion Target: $150 billion</td>
<td>1.1.3 Inter-agency, bilateral and regional cooperation enhanced between Azerbaijan, Georgia, European Union Member States and international stakeholders - to facilitate the movement of persons and goods across borders while maintaining secure borders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and</td>
<td>Indicator: 1.2.1 Labour force participation rate by urban/rural/sex Baseline: 2008: 71.1% overall (urban men 71.5%, urban women 63.1%; rural men 79.8%, rural women 72.5%) Target: 85%</td>
<td>Indicator: 1.1.2 1.2.1.1 Ministry of Labour and Social Protection of the Population has vocational education and training programmes to ensure qualitative improvement of the skills of the labour force, and in particular disabled, to meet the demands of</td>
<td></td>
<td>Regular resources: 1,169,750 Other resources: 5,100,000</td>
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<tr>
<td>mitigate risks</td>
<td>Employment rate by urban/rural/sex Baseline: 2008, 93.2% (urban men 91.2%, urban women 90.4%; rural men 95%, rural women 96.5%) Target: 96%</td>
<td>the labour market 1.2.2 Access to employment and employability of women in selected rural areas improved. Level and factors contributing to economic violence among women diminished</td>
<td>international organizations and international financing institutions: capacity development.</td>
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Annex 2. Terms of Reference

UNDP AZERBAIJAN

TERMS OF REFERENCE FOR OUTCOME EVALUATIONS

**Country Programme Outcome 1:**

National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks.

**Country Programme Outcome 2:**

Policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks.

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**Title:** Evaluation Consultant (international position)

**Type of contract:** Individual Contract

**Timeframe:** November – December 2014

**Duty station:** Home-based with travel to Azerbaijan

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**INTRODUCTION**

UNDP Country Programme document (CPD) for 2011-2015 is directly based on the United Nations Development Assistance Framework (UNDAF) for Azerbaijan (2011-2015). The UNDAF was formulated in consultation with the Government of Azerbaijan and development partners and is aligned with the State Programme for Poverty Reduction and Sustainable Development (SPPRSD) for 2008-2015, which provides for achievement of the Millennium Development Goals. Under the CPD, UNDP Azerbaijan works to contribute towards the achievement of five development outcomes:

**Outcome 1:** National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks

**Outcome 2:** National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks

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Outcome 3: Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change

Outcome 4: By 2015 civil society, media and vulnerable groups enjoy an increased role in policy formulation and implementation processes

Outcome 5: Efficiency, accountability and transparency in public administration enhanced through capacity development of State entities, including gender sensitive approaches

In line with the Evaluation Plan of UNDP Azerbaijan, an outcome evaluation will be conducted to assess UNDP contributions towards the progress made on outcome achievements. Specifically to this Terms of Reference, UNDP contribution towards the following outcomes will be evaluated:

*National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks*

*National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks*

This ToR outlines the scope, the requirements and expectations of the evaluation and will serve as a guide and point of reference throughout the evaluation.

1. **BACKGROUND AND CONTEXT**

Situated at the crossroads of Europe, Central Asia and the Middle East, Azerbaijan has become a confident and relatively stable State in the post-Soviet era and an upper-middle-income country. It is experiencing one of the most exciting periods in its history and is implementing a development path intended to make it a leader in the South Caucasus and beyond. The Government has recently declared that “Azerbaijan has completed a period of transition”, with new socioeconomic systems established and with the necessary infrastructure to support expanded economic activities taking shape.

Driven by hydrocarbon wealth, growth in Azerbaijan remained comparatively buoyant overall despite the global economic downturn, and GDP in 2012 reached US$66.6 billion, a more than threefold increase from 2003. While the hydrocarbon sector produce almost half the country’s GDP, it only employs 1% of the labour force. The sector is extremely capital intensive and requires very low labour participation. On the other hand, agriculture, forestry and fishing produce only 6% of GDP, but employ 45% of the economically active population.

Over the past decade employment in Azerbaijan has grown. Employment rate has marginally improved from 60.9% in 2011 to 61.2% in 2012 while the quality of employment seems to have deteriorated due to the increased share of informality as captured by swelling agricultural employment that acts largely
as a fall back option for people who could not find productive employment in other sectors of the economy.

Disparities persist in terms of job productivity and level of pay between Baku and the regions. While pay level has increased in all parts of the country, the rate of pay increase in Baku is faster. People employed in Baku are at least two times better paid than those in the regions. Disparities from gender perspective remain stark - average monthly salary received by men makes AZN 520 against AZN 244 received by women. Women also have disproportionally high engagement in the agricultural sector characterized by low productivity. The highest unemployment level is continuously observed among youth aged 15-24. Another group excluded from productive life are people with disabilities (PWD). While there is no official statistics on unemployment among PWD, a quantitative survey by UNDP/UNICEF conducted in 2012 shows that 74% of PWD aged 15-64 are unemployed and little has been done to improve their access to employment.

Azerbaijan’s economy continued to depend on the revenues from the oil sector, with private sector contributing about 80% to GDP, according to the government statistics, while lion’s share of exports falls on hydrocarbons. As such, the economy remains vulnerable to the potential external shocks, particularly to volatility of oil prices at the international market.

There are two recognized international indexes that gauge business environment and competitiveness - the World Economic Forum’s “Global Competitiveness Index” and the World Bank’s “Ease of Doing Business” Report. The 2013-2014 Global Competitiveness Index has raised Azerbaijan’s ranking from the 46th to the 39th place out of 144 countries, which reflects a satisfactory state for future development of the country. The report cites corruption, tax rates and inadequately educated workforce as the top three problematic factors for doing business in Azerbaijan.

Azerbaijan also has a satisfactory standing in respect to business environment and competitiveness as reflected by its ranking at 70th out of 189 countries included in the World Bank’s 2013 Ease of Doing Business Index. The content of this index, however, also shows that Azerbaijan should particularly emphasize improvements in the areas of paying taxes (70/189), resolving insolvency (86th), trade across borders (168th), dealing with construction permits (180th), and getting electricity (181st).

Although Azerbaijan has decent international ratings on business environment and competitiveness, the qualitative assessments point to the fact that development of non-oil activities was spurred by public spending and revamped infrastructure while structural reforms encouraging competition and facilitating trade are resisted as disruptive of existing economic interests.

2. EVALUATION PURPOSE AND OBJECTIVES

The current UNDAF and the associated UNDP Country Programme are set to expire in 2015. In 2014, UNDP, along with other members of the UN System in Azerbaijan, have initiated a broad-based participatory process of formulation of a new UNDAF and, later on, the UNDP Azerbaijan Country Programme to cover years 2016-2020. The purpose of this evaluation is to take stock and evaluate UNDP contribution towards economic development resulting in better and more equitable job opportunities and more competitive private sector, as envisaged under Outcome 1 and Outcome 2 of
the Country Programme. The evaluation findings will mainly be used to inform the planning, design and formulation of the new CPD for UNDP Azerbaijan. Therefore, this evaluation will need to be forward-looking; the findings and judgments made must be based on concrete evidence that will support UNDP strategic thinking for its new programme cycle, specifically in determining its strategic priorities in supporting the Government in the area of economic development.

The outcome evaluation will assist UNDP in gaining a better understanding of the following aspects of its interventions:

5. the extent to which the planned outcomes and related outputs have been, are being achieved, and likely to be achieved by the end of 2015;
6. the casual linkage by which outputs contribute to the achievement of the specified outcomes;
7. if and which programme processes, e.g. strategic partnership and linkages are critical in producing the intended outcomes;
8. factors that facilitate and/or hinder the progress in achieving the outcomes, both in terms of the external environment and those internal to the portfolio interventions inculding weaknesses in design, management, resources etc.;
9. added-value and comparative advantage of UNDP in contributing to the outcomes vis-à-vis other partners implementing similar programmes;
10. lessons learnt from implementation of the interventions.

3. EVALUATION SCOPE

This evaluation is to evaluate the collective results of UNDP interventions towards improved private sector competitiveness and better work opportunities in Azerbaijan as implemented through various projects and initiatives under the Outcome 1 and Outcome 2 of the current CPD.

Programmatic scope:

Under outcome 1, UNDP implements two projects:

1) Support to Baku Tourism Vocational School – The projects addresses one of the main problematic factors for the private sector competitiveness - lack of adequately educated workforce. UNDP's assistance is focused on one of the most promising sectors of non-oil development - tourism industry. Through this project, UNDP aims to raise educational standards in tourism and supply the sector with qualified labour force thereby enabling the tourism businesses to deliver better services and successfully compete in the world market. For this purpose, UNDP has supported modernization of the Baku Tourism Vocational School by upgrading learning facilities, developing new curricula for several professions and re-training of teachers.

2) South-Caucasus Integrated Border Management (SCIBM) - Project aims to enhance strategic border management capacities; develop and establish IBM-related procedures and operations including Border Check Points (BCPs); assess the benefits of IBM approach
through pilot activities; provide technical assistance to pilot BCPs and other IBM-related units.

In addition to project type interventions, UNDP is also active at the policy level by advocating for the diversification of the economy as a way to make the country more resilient to external shocks, such as global economic crisis and oil price volatility. We have stimulated policy debates on challenges and opportunities of single-resource economies and organized several international workshops that came up with a set of recommendations to help the decision-makers in Azerbaijan shape policies to reduce the risks typically faced by resource-rich economies and ensure sustainable and equitable growth.

Under outcome 2, UNDP implements two projects and one thematic study.

1) Promoting Innovation and Employment in Azerbaijan (SYSLAB) – UNDP, in partnership with the Ministry of Labor and Social Protection and SYSLAB, a Norwegian NGO, UNDP helps to establish job research centres in two main cities of Azerbaijan – Baku and Sumgait- and is planning to do so in Ganja. The job research centres apply an innovative employment scheme which increases people’s employability and supports them in proactive job search.

2) Promoting Rural Women Participation in Social and Economic Life – UNDP supports the efforts of the State Committee for Family, Women and Children’s Affairs (SCFWCA) in building capacity of rural women, generating productive cooperation between rural women entrepreneurs and financial institutions, developing gender sensitive programs and policies addressing the needs of rural women and collecting and analyzing the data on needs and concerns of rural women in the area of economic empowerment and community development.

3) Towards Decent Employment Through Structural Reform – UNDP is also active at the policy level. It produced a study Towards Decent Employment through Structural Reform that looks into the main imbalances and barriers to productive employment as well as specific vulnerabilities faced by women and youth.

For more information on the abovementioned projects, visit www.az.undp.org

Timeframe of projects contributing to Outcome 1:

The results of the two projects should be evaluated since the very beginning which means January 2013 until present for Tourism Vocational School; from October until present for SCIBM and 2012 until present for the Employment Study.

Timeframe of projects contributing to Outcome 2:

The results of the three projects should be evaluated since the very beginning which means March 2011 until present for SYSLAB; August 2011 until present for Rural Women Project and 2012 until present for the Employment Study.

Geographical coverage of Outcome 1:
Tourism Vocational Schools works in Baku; pilot project component of the SCIBM project covers border area with Georgia. The evaluation should cover the geographical reach of the two projects.

**Geographical coverage of Outcome 2:**

SYSLAB works in Baku and Sumgayit; Rural Women project in Baku, Sabirabad and Neftchala. The evaluation should cover the geographical reach of the two projects.

**Target groups and stakeholders for Outcome 1:**

Target groups and stakeholders of UNDP’s interventions under this outcome vary depending on the planned results for each output. They include central authorities in charge of the tourism development, border management, local authorities in Baku and direct beneficiaries, international organizations and UN Agencies.

**Target groups and stakeholders for Outcome 2:**

Target groups and stakeholders of UNDP’s interventions under these three projects vary depending on the planned results for each output. They include central authorities in charge of the employment policies and women empowerment, local authorities in Baku, Sumgayit and Sabirabad, direct beneficiaries, international organizations and UN Agencies.

4. **METHODOLOGY**

Overall guidance on the evaluation methodology can be found in the UNDP Handbook on Planning, Monitoring and Evaluating for Development Results. The Outcome evaluation should include four categories of analysis:

- an assessment of progress towards the outcome
- an assessment of factors affecting the outcome
- an assessment of key UNDP contributions to outcome
- an assessment of the partnership strategy used

During the outcome evaluation the consultant is expected to apply dual approach collecting both quantitative and qualitative data.

The data collection methods should include but not limited to:

- desk reviews of relevant documents
- interviews with key stakeholders and target groups
- focus group discussions
- direct observations during the visits to project sites
- administration of surveys/questionnaires, if applicable
As indicated in the Country Programme, the achievement of the outcome 1 will be measured through the following indicators:

**Indicator 1.1:** Amount of foreign direct investments in non-oil sector

**Indicator 1.2:** Annual percentage increase in non-oil gross domestic product

**Indicator 1.3:** Volume of non-oil sector exports

The achievement of the outcome 2 will be measured through the following indicators:

**Indicator 2.1:** Labour force participation rate by urban/rural/sex

**Indicator 2.2:** Employment rate by urban/rural/sex

However, it is recognized that these indicators may not be the most appropriate indication to measure the progress or the achievement of the outcome as the non-oil export, labour force participation and employment rate are affected by the factors that are well beyond the ambition of the UNDP Country Programme. The evaluation consultant is expected to design the additional indicators that can better suit the evaluation purpose.

**EVALUATION CRITERIA AND QUESTIONS**

The evaluation will be conducted against the following set of criteria and should respond to the following set of questions that may be adjusted as need be:

**4.1 Relevance**
- To what extent do the intended outcome and the relevant outputs address national priorities?
- Have UNDP interventions been relevant to women and other vulnerable groups?
- What are potential area of engagement for UNDP's next Country Programme in relation to sustainable growth that generates decent and productive employment?

**4.2 Effectiveness**
- To what extent the planned outcome has been or is being achieved?
- How have the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective?
- What are the challenges to achieving the outcome?
- Has UNDP best utilized its comparative advantage in defining and delivering these planned outputs?
- What are the key gaps that UNDP interventions could address within its comparative advantage that would significantly contribute to the achievement of the outcome?
- Has UNDP's partnership strategy been appropriate and effective in contributing to the outcome?
- To what extent did the results, both at the outcome and output levels, benefit men and women equally?
- Is the current set of indicators effective in informing the progress made towards the outcome? If not, what indicators should be used?

4.3 Efficiency
- Has there been any duplication of efforts among UNDP’s interventions and interventions delivered by other organizations contributing to the outcome?

4.4 Sustainability
- How strong is the level of ownership of the results by the relevant government entities and other stakeholders?
- What is the level of capacity and commitment of the Government to ensure sustainability of the results?
- What could be done to strengthen sustainability?

5. EVALUATION PRODUCTS
The evaluation consultant is expected to produce the following deliverables:

- Draft evaluation report for Outcome 1 for initial feedback from UNDP
- Final evaluation report for Outcome 1
- Draft evaluation report for Outcome 2 for initial feedback from UNDP
- Final evaluation report for Outcome 2

The reports should include the following contents:
- Executive Summary
- Introduction
- Description of the intervention
- Evaluation purpose, objective, and scope
- Evaluation methodology
- Evaluation findings (forward-looking and actionable)

6. RESPONSIBILITIES AND COMPETENCY REQUIREMENTS
The evaluation consultant will perform the following tasks:

- Undertake desktop review
- Prepare the evaluation methodology
- Undertake meetings, field visits, observation and other evaluation activities
- Conduct analyses of the outcomes, outputs and partnership strategies for the two outcomes
- Draft evaluation reports
- Finalize the evaluation report based on the feedback from UNDP

The evaluation consultant is expected to meet the following qualification and competency requirements:
- To what extent did the results, both at the outcome and output levels, benefit men and women equally?
- Is the current set of indicators effective in informing the progress made towards the outcome? If not, what indicators should be used?

4.3 Efficiency
- Has there been any duplication of efforts among UNDP’s interventions and interventions delivered by other organizations contributing to the outcome?

4.4 Sustainability
- How strong is the level of ownership of the results by the relevant government entities and other stakeholders?
- What is the level of capacity and commitment of the Government to ensure sustainability of the results?
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- Prepare the evaluation methodology
- Undertake meetings, field visits, observation and other evaluation activities
- Conduct analyses of the outcomes, outputs and partnership strategies for the two outcomes
- Draft evaluation reports
- Finalize the evaluation report based on the feedback from UNDP

The evaluation consultant is expected to meet the following qualification and competency requirements:
- Advanced university degree in relevant disciplines (e.g. economics, development planning, poverty reduction)
- At least 10 years of international working experience in the field of economic development, sustainable livelihoods and/or poverty reduction
- At least five years of experience in programme evaluation and proven accomplishments in undertaking evaluations for international organizations, preferably including UNDP
- Good knowledge of Azerbaijan’s political and economic context, including prior working experience in the country, will be an asset
- Excellent analytical and strategic thinking skills
- Good inter-personal and communication skills
- Excellent written and spoken English and presentation capaticites
- Ability to meet deadlines
- Working knowledge of Azerbaijani or Russian an asset, but not a requirement

7. EVALUATION ETHICS

Evaluation in the UN will be conducted in accordance with the principles outlines in both Norms and Standards for Evaluation in the UN System by the United Nations Evaluation Group (UNEG) and by the UNEG ‘Ethical Guidelines for Evaluation’. The evaluation consultant is required to read the Norms and Standards and the guidelines and ensure strict evidence to it, including establishing protocols to safeguard confidentiality of information obtained during evaluation.

8. IMPLEMENTATION ARRANGEMENTS

The evaluation is commissioned by UNDP Azerbaijan. The Country Office will provide with any logistics and administrative support as needed. The evaluation consultant will work under the direct supervision of the Deputy Resident Representative and Assistant Resident Representative and in collaboration with the entire Programme Unit. The Programme Unit will provide assistance in facilitating field trips, organizing meetings, providing access to information.

9. TERMS OF PAYMENT

The evaluation consultant will receive its consultancy fees upon certification of the completed tasks satisfactorily, as per the following schedule:

```
<table>
<thead>
<tr>
<th>Instalments of payment</th>
<th>Tasks to be completed</th>
<th>Payment to be made</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Instalment</td>
<td>Advance payment</td>
<td>20%</td>
</tr>
<tr>
<td>2nd Instalment</td>
<td>Upon submission of the draft reports</td>
<td>40%</td>
</tr>
<tr>
<td>3rd Instalment</td>
<td>Upon submission of the final reports</td>
<td>40%</td>
</tr>
</tbody>
</table>
```
10. TIME-FRAME FOR THE EVALUATION PROCESS

The evaluation is to be conducted in November - December 2014 based on the following milestones:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop review</td>
<td>One week from the signing of the contract</td>
</tr>
<tr>
<td>Mission to Baku</td>
<td>One week from completion of desktop review</td>
</tr>
<tr>
<td>Submission of the draft reports</td>
<td>Three weeks from completion of the mission</td>
</tr>
<tr>
<td>Submission of the final reports</td>
<td>Three weeks from receipt of feedback from UNDP Azerbaijan</td>
</tr>
</tbody>
</table>
Annex 3. Project performance scoring rubric

The evaluation team’s assessment of project performance in relation to the four evaluation criteria (relevance, effectiveness, efficiency, and sustainability) was based on the available evidence for each of the indicators for the evaluation questions.

To summarize the resulting overall assessment, the Evaluation expert used the following scoring rubric.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Performance description</th>
<th>Application using evaluation question indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent (Always)</td>
<td>Performance is clearly very strong or exemplary in relation to the evaluation question/domain. No gaps or weaknesses were identified.</td>
<td>Measures for all indicators relating to the respective evaluation question and sub-questions are “yes/positive”.</td>
</tr>
<tr>
<td>Very good (Almost always)</td>
<td>Overall strong, but not exemplary performance on virtually all aspects of the evaluation question/domain. Weaknesses are not significant and are managed effectively.</td>
<td>Measures for most indicators relating to the respective evaluation question and sub-questions are “yes/positive” and no indicator is rated as ‘no/negative’.</td>
</tr>
<tr>
<td>Good (Mostly, with some exceptions)</td>
<td>Performance is reasonably strong on most aspects of the evaluation question/domain. No significant gaps or weaknesses, and less significant gaps or weaknesses are mostly managed effectively.</td>
<td>At least one indicator is measured as ‘yes/positive’; and most indicators are rated as either ‘yes/positive’ or ‘mixed’. Not more than one indicator per evaluation question is rated ‘no/negative’.</td>
</tr>
<tr>
<td>Adequate (Sometimes, with many exceptions)</td>
<td>Performance is inconsistent in relation to the question. There are some serious but non fatal gaps/weaknesses. Meets minimum expectations/requirements as far as can be determined.</td>
<td>Measures for most indicators relating to the respective evaluation question and sub-questions are ‘mixed’, and no indicator is measured with a clear ‘yes/positive’.</td>
</tr>
<tr>
<td>Poor (Never or occasionally with clear weaknesses evident)</td>
<td>Performance is unacceptably weak in relation to the evaluation question/domain. Serious and widespread weaknesses on crucial aspects. Does not meet minimum expectations/requirements.</td>
<td>Measures for most indicators relating to the respective evaluation question and sub-questions are ‘no/negative’.</td>
</tr>
<tr>
<td>Insufficient evidence</td>
<td>Evidence unavailable or of insufficient quality to determine performance.</td>
<td>NA</td>
</tr>
</tbody>
</table>
Annex 4. Scoring of project performance

The table below summarizes the Evaluator’s assessment of performance in relation to the evaluation criteria using the scoring table shown in Annex 3.

Provided ratings should be read with caution, i.e. taking into consideration that they are based on the interpretation of mostly qualitative data that was assessed against qualitative indicators. Thus, the main purpose of the scoring table is to make the overall assessment that the evaluation expert derived at more transparent. It complements, rather than replaces the more nuanced narrative analysis provided in the evaluation report.

After careful consideration the evaluation team decided to provide ratings for overall outcome performance only, rather than for projects separately.

<table>
<thead>
<tr>
<th>Evaluation questions</th>
<th>Indicators</th>
<th>Yes/No</th>
<th>Mixed</th>
<th>No/Score</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Relevance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 To what extent do the intended outcome and the relevant outputs address national priorities?</td>
<td>a) Alignment of with identified government priorities and commitments at national, regional and global levels (as, for example, outlined in CEDAW, MDGs, national constitutions, and National Strategies).</td>
<td>✔</td>
<td></td>
<td></td>
<td>GOOD</td>
</tr>
<tr>
<td>1.2 Have UNDP interventions been relevant to women and other vulnerable groups?</td>
<td>b) Alignment with needs and priorities as identified by the targeted groups themselves.</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 To what extent the planned outcome has been or is being achieved?</td>
<td>a) Evidence of progress towards output and outcome level. b) Evidence of project contribution towards anticipated changes c) Stakeholder views on key achievements and missed opportunities.</td>
<td>✔</td>
<td></td>
<td></td>
<td>GOOD</td>
</tr>
<tr>
<td>2.2 How have the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective</td>
<td>a) Evidence of progress towards output and outcome level indicators as per logframe. b) Evidence of project contribution towards anticipated changes c) Stakeholder views on key achievements and missed opportunities.</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5 "Mixed" refers to cases where available evidence for the respective indicator did not allow a clear ‘yes/no’, ‘positive/negative’ assessment, but provided evidence of both successes and remaining gaps in relation to the respective indicator.
<table>
<thead>
<tr>
<th>Evaluation questions</th>
<th>Indicators</th>
<th>Positive</th>
<th>Mixed</th>
<th>Negative</th>
<th>Score</th>
</tr>
</thead>
</table>
| 2.3 What are the challenges to achieving the outcome? | a) Type and nature of contextual changes/trends and related opportunities or challenges for the project at global, regional, national, and decentralized levels.  
b) Project staff and stakeholder views on factors supporting or hindering the project’s success.  
c) Extent to which project beneficiaries are satisfied with the extent to which relevant actors and stakeholders have been included in UNDP programming and implementation, including in policy advocacy processes. |         |       |          |       |
| 2.4: Has UNDP best utilized its comparative advantage in defining and delivering these planned outputs? | a) Previous UNDP experience and existing expertise in the country and subject matter.  
b) Stakeholder perceptions of UNDP’s comparative advantage as regards the outcome, related projects and objectives. | ✓       |       |          |       |
| 2.5: Has UNDP’s partnership strategy been appropriate and effective in contributing to the outcome? | Alignment with explicit or implicit priorities of other development partners (including other UN agencies) as, for example, outlined in UNDAFs | ✓       |       |          |       |
| 2.6 To what extent did the results, both at the outcome and output levels, benefit men and women equally? | a) Evidence of project contribution towards anticipated changes  
b) Stakeholder views on key achievements and missed opportunities. | ✓       |       |          |       |
| 2.4 Is the current set of indicators effective in informing the progress made towards the outcome? If not, what indicators should be used? | a) Indicators are SMART | ✓       |       |          |       |
| 3. Efficiency | a) Evidence of complementarity of efforts with other agencies  
b) Stakeholder views on UNDP’s interventions and their key achievements | ✓       |       |          |       |
| 4. Sustainability | a) Extent to which national/local institutions demonstrate ownership of the project objectives and results.  
b) Extent to which national/local institutions demonstrate leadership, commitment, and technical capacity to maintain/implement the benefits of the project. | ✓       |       |          |       |
| 4.2 What is the level of capacity and commitment of the Government to ensure sustainability of the results? | a) Extent to which project results are institutionalized.  
b) Extent to which the project contributed to strengthening national/local ownership, leadership, commitment, and technical capacity. | ✓       |       |          |       |
# Annex 5. List of interviewed persons

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>UNDP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Nato Alhazishvili</td>
<td>Deputy Resident Representative</td>
<td>UNDP</td>
</tr>
<tr>
<td>2.</td>
<td>Jamila Ibrahimova</td>
<td>Assistant Resident Representative</td>
<td>UNDP</td>
</tr>
<tr>
<td>3.</td>
<td>Chingiz Mammadov</td>
<td>Senior Programme Advisor</td>
<td>SYSLAB Project, UNDP</td>
</tr>
<tr>
<td>4.</td>
<td>Elnur Khalilov</td>
<td>Programme Adviser</td>
<td>Tourism Vocational School, UNDP</td>
</tr>
<tr>
<td>5.</td>
<td>Shamil Rzayev,</td>
<td>Senior Programme Adviser</td>
<td>SCIBM, UNDP</td>
</tr>
<tr>
<td>6.</td>
<td>Leyla Fathi,</td>
<td>Programme Adviser</td>
<td>Promoting Rural Women Participation in the Economic and Social Life Project, UNDP</td>
</tr>
<tr>
<td></td>
<td><strong>IBM PROJECT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Murad Naghiyev</td>
<td>Chief of bilateral cooperation division</td>
<td>The Republic of Azerbaijan State Border Service</td>
</tr>
<tr>
<td>8.</td>
<td>Jeyhun Najafii</td>
<td>Chief of the Passenger Division</td>
<td>State Customs Committee of the Republic of Azerbaijan</td>
</tr>
<tr>
<td>9.</td>
<td>Ahmad Shirinov</td>
<td>Legal Expert</td>
<td>IBM Project</td>
</tr>
<tr>
<td>10.</td>
<td>Mezahir Efendiyev</td>
<td>Country Manager</td>
<td>IBM Project</td>
</tr>
<tr>
<td></td>
<td><strong>PROMOTING RURAL WOMEN PARTICIPATION IN THE ECONOMIC AND SOCIAL LIFE PROJECT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Sadagat Gahramanova</td>
<td>Deputy Chairperson</td>
<td>The State Committee for Children, Women and Family Affairs</td>
</tr>
<tr>
<td>12.</td>
<td>Gulara Humbatova</td>
<td>Project Manager</td>
<td>Promoting Rural Women Participation in the Economic and Social Life Project</td>
</tr>
<tr>
<td>13.</td>
<td>Nargiz Aliyeva</td>
<td>Advisor</td>
<td>Gender Department, SCFWCA</td>
</tr>
<tr>
<td>14.</td>
<td>Aynur Veysalova</td>
<td>Advisor</td>
<td>Public Relations and Communications Department, SCFWCA</td>
</tr>
<tr>
<td>15.</td>
<td>Huseynova Sevinj</td>
<td>Deputy of Suraxani Executive Committee and Focal Person</td>
<td>Suraxani Executive Committee</td>
</tr>
<tr>
<td>No.</td>
<td>Name</td>
<td>Position</td>
<td>Institution</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>16</td>
<td>Afat Sadigova</td>
<td>Advisor and Focal person</td>
<td>Ministry of Education</td>
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<tr>
<td>17</td>
<td>Mehraliyeva Rena Baxish</td>
<td>Project beneficiary</td>
<td>Sabirabad</td>
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<tr>
<td>18</td>
<td>Aliyeva Mahira Sabir</td>
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<td>19</td>
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<td>20</td>
<td>Agamaliyeva Kimya Sudeyif</td>
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<td>21</td>
<td>Aliyeva Aygun Ildirim</td>
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<td>22</td>
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<td>23</td>
<td>Habilova Shamama</td>
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<td>Habilova Minara</td>
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<td>Ibrahimova Jeyran</td>
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<td>26</td>
<td>Babayeva Shahnaz</td>
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</tr>
<tr>
<td>27</td>
<td>Huseynova Solmaz</td>
<td>Project beneficiary</td>
<td>Sabirabad</td>
</tr>
</tbody>
</table>

**TOURISM VOCATIONAL EDUCATION PROJECT**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>Farid Huseynov</td>
<td>Executive Director</td>
<td>Millennium Tourism</td>
</tr>
<tr>
<td>29</td>
<td>Sabina Babayeva</td>
<td>Project Manager</td>
<td>UNDP</td>
</tr>
<tr>
<td>30</td>
<td>Kamala Sharabchiyeva</td>
<td>Project Officer</td>
<td>UNDP</td>
</tr>
<tr>
<td>31</td>
<td>Jamal Akhundov</td>
<td>Deputy Director</td>
<td>Baku Tourism Vocational School</td>
</tr>
<tr>
<td>32</td>
<td>Soheil Darash</td>
<td>Sous-chef (completed trainings for cooks in March 2014)</td>
<td>Harbour restaurant</td>
</tr>
<tr>
<td>33</td>
<td>Nijat Gasimov</td>
<td>Assistant cook (completed trainings for cooks in March 2014)</td>
<td>Harbour restaurant</td>
</tr>
<tr>
<td>34</td>
<td>Nadir Guluzadeh</td>
<td>Trainer on English Language</td>
<td>Support to Baku Tourism Vocational School Project – contracted for trainings</td>
</tr>
<tr>
<td>35</td>
<td>Farid Huseynov</td>
<td>Executive Director</td>
<td>Millennium Tourism and Congress</td>
</tr>
<tr>
<td>36</td>
<td>Ruslan Guliyev</td>
<td>Trainer for travel agents</td>
<td>Support to Baku Tourism Vocational School Project – contracted for trainings</td>
</tr>
<tr>
<td>37</td>
<td>Kamal Al-Zahid</td>
<td>Completed trainings for travel agents in February 2014</td>
<td>Volunteer</td>
</tr>
<tr>
<td>38</td>
<td>Lala Hadiyeva</td>
<td>Completed trainings for travel agents in February 2014</td>
<td>-</td>
</tr>
<tr>
<td>39</td>
<td>Anar Mamedaliyev</td>
<td>Completed trainings for receptionists in February 2014 and trainings for employees of tourism industry (professional development trainings) in April</td>
<td>-</td>
</tr>
<tr>
<td>No.</td>
<td>Name</td>
<td>Position</td>
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</tr>
<tr>
<td>40.</td>
<td>Gunel Khalilzade</td>
<td>Guba Rixos Hotel (Completed trainings for receptionists in February 2014)</td>
<td>receptionist</td>
</tr>
<tr>
<td>41.</td>
<td>Mehman Huseynov</td>
<td>Trainer for cooks</td>
<td>Support to Baku Tourism Vocational School Project – contracted for trainings</td>
</tr>
<tr>
<td>42.</td>
<td>Mariia Danylenko</td>
<td>International trainer for cooks</td>
<td>Support to Baku Tourism Vocational School Project – contracted for trainings</td>
</tr>
<tr>
<td>43.</td>
<td>Aydin Ismiyev</td>
<td>Ministry of Culture and Tourism of Azerbaijan Republic</td>
<td>Project Director; Head of Tourism Department</td>
</tr>
</tbody>
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**SYSLAB PROJECT**

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<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>44.</td>
<td>Matin Kerimli</td>
<td>Deputy Minister</td>
<td>Ministry of Labour and Social Protection of the Republic of Azerbaijan</td>
</tr>
<tr>
<td>45.</td>
<td>Irada Usubova</td>
<td>Head of International Relations Department</td>
<td>Ministry of Labour and Social Protection of the Republic of Azerbaijan</td>
</tr>
<tr>
<td>47.</td>
<td>Samir Hajizade</td>
<td>SYSLAB Course participant</td>
<td></td>
</tr>
<tr>
<td>48.</td>
<td>Shabnam Hasanli</td>
<td>SYSLAB Course participant</td>
<td></td>
</tr>
<tr>
<td>49.</td>
<td>Nurlana Efendiyeva</td>
<td>SYSLAB Course participant</td>
<td></td>
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<tr>
<td>50.</td>
<td>Vusal Babayeva</td>
<td>SYSLAB Course participant</td>
<td></td>
</tr>
<tr>
<td>51.</td>
<td>Ayygul Bashirova</td>
<td>SYSLAB Course participant</td>
<td></td>
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<tr>
<td>52.</td>
<td>Ershad Mammadov</td>
<td>SYSLAB Course participant</td>
<td></td>
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<tr>
<td>53.</td>
<td>Javid Mammadov</td>
<td>SYSLAB Project Coordinator</td>
<td>UNDP</td>
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<td>54.</td>
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<tr>
<td>55.</td>
<td>Ilaha Rasulova</td>
<td>Syslab Project Manager</td>
<td>SYSLAB Project</td>
</tr>
<tr>
<td>56.</td>
<td>Zamina Eliyeva</td>
<td>SYSLAB Consultant, Sumgayit</td>
<td>SYSLAB Project</td>
</tr>
<tr>
<td>57.</td>
<td>Kanan Baghirov</td>
<td>SYSLAB Coordinator, Sumgayit</td>
<td>SYSLAB Project</td>
</tr>
<tr>
<td>58.</td>
<td>Hasanov Seymur</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
</tr>
<tr>
<td>59.</td>
<td>Mustafayev Kamran</td>
<td>Participant</td>
<td>Sumagytais Syslab Center</td>
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<td>60.</td>
<td>Shahverdiyev Logman</td>
<td>Participant</td>
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<td>61.</td>
<td>Mardiyeva Aysel</td>
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<td>Sumagytais Syslab Center</td>
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<td>62.</td>
<td>Karayeva Camila</td>
<td>Participant</td>
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<tr>
<td>63.</td>
<td>Suleymanli Zemfira</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
</tr>
<tr>
<td>64.</td>
<td>Qasmova Gunel</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
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<tr>
<td>64.</td>
<td>Melikrzayeva Milay</td>
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<td>Sumagyt Syslab Center</td>
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<tr>
<td>65.</td>
<td>Safarli Durru</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
</tr>
<tr>
<td>66.</td>
<td>Abyeva Sabina</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
</tr>
<tr>
<td>67.</td>
<td>Haqverdiyev Nicat</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
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<tr>
<td>68.</td>
<td>Quliyev Tural</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
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<tr>
<td>69.</td>
<td>Isayev Nail</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
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<td>70.</td>
<td>Aslanova Shahnaz</td>
<td>Participant</td>
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<td>71.</td>
<td>Hasanli Ulvi</td>
<td>Participant</td>
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<td>72.</td>
<td>Mammadova Gunel</td>
<td>Participant</td>
<td>Sumagyt Syslab Center</td>
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<tr>
<td>73.</td>
<td>Shamo Murshudov</td>
<td>HR Department Leading Specialist</td>
<td>Ateshgah Insurance</td>
</tr>
</tbody>
</table>

**OTHER AGENCIES/INSTITUTIONS**

<table>
<thead>
<tr>
<th>No.</th>
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</tr>
</thead>
<tbody>
<tr>
<td>74.</td>
<td>Ilgar Umudov</td>
<td>Senior Expert, Private Sector Development in South Caucasus Programme</td>
<td>GIZ</td>
</tr>
</tbody>
</table>
Outcome Evaluation

Country Programme Outcome 2: Policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks.

Zehra Kačapor-Džihić
February 2015

The purpose of the evaluation is to take stock and evaluate UNDP contribution towards economic development resulting in better and more equitable job opportunities and more competitive private sector, as envisaged under Outcome 1 and Outcome 2 of the Country Programme. The evaluation findings and judgments are based on evidence that will support UNDP strategic thinking for its new programme cycle, specifically in determining its strategic priorities in supporting the Government in the area of economic development.
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Abbreviations

CPD  Country Programme Document
EU  European Union
FGD  Focus Group Discussion
GDP  Gross Domestic Product
OECD DAC  Development Assistance Committee of the Organisation for Economic Co-operation and Development
OSCE  Organization for Security and Co-operation in Europe
PS  Private sector
SCFWCA  State Committee for Family, Women and Children's Affairs
SES/MLSPP  State Employment Service under the Ministry of Labour and Social Protection of Population
SYSLAB  Systems Laboratory for Innovation and Employment
UNDP  United Nations Development Programme
USA  United States of America
Executive Summary

UNDP Country Programme document (CPD) for 2011-2015 is directly based on the United Nations Development Assistance Framework (UNDAF) for Azerbaijan (2011-2015). The UNDAF was formulated in consultation with the Government of Azerbaijan and development partners and is aligned with the State Programme for Poverty Reduction and Sustainable Development (SPPRSD) for 2008-2015, which provides for achievement of the Millennium Development Goals. Under the CPD, UNDP Azerbaijan works to contribute towards the achievement of five development outcomes, out of which two outcomes (Outcome 1 and Outcome 2) have been the subject of the Evaluation. Two individual reports have been prepared in response to the Terms of Reference (ToR) requirements. This document represents the Evaluation of the Outcome 2.

Evaluation Objective

Evaluation assesses collective results of UNDP interventions towards achieving positive contributions to the Outcome 2 of the UNDP Country Programme Document: «National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks». Under outcome 2, UNDP implements the following projects: Promoting Innovation and Employment in Azerbaijan (SYSLAB), Promoting Rural Women Participation in Social and Economic Life, and a study Towards Decent Employment Through Structural Reform.

An evaluation of the outcome was conducted in the period of November 2014 - January 2015 with the objective to assess the progress and achievement of the outcome as well as the contribution of UNDP’s support towards the desired outcome. Evaluation also proposes measures to increase the relevance, effectiveness and efficiency of UNDP’s cooperation in the area of addressing regional and gender disparities in work opportunities.

Development Context

According to UNDP, Azerbaijan has become a "high human development" country. The Human Development Index ranked Azerbaijan 76 out of 187 countries in 2014. Azerbaijan's population is 9.48 million in 2014, with 51% under 30 years old. Medium life expectancy at birth is 73.9 years. The population of Azerbaijan is growing, which adds to the acute pressure to create more and better jobs.

Azerbaijan has recorded remarkable growth rates in the last years, largely due to the oil-sector, which continues to dominate the country's economy. Yet Azerbaijan's growth has not fully translated into a better life for all members of the population. The economic wealth is still unevenly distributed between rural and urban areas, and particularly between Baku/Absheron Peninsula and other regions. Looking at the labour market, the employment rate has marginally improved but still huge disparities persist in terms of job productivity and level of pay between Baku and the regions. A considerable number of people remain just below or above the poverty line and are particularly vulnerable to external shocks; and significant regional and gender differences in wages also exist. Poverty rates are particularly high for those outside Baku as poverty becomes an increasingly rural phenomenon in the country. Poverty is also predominant among families with many children and with young
children. Another key group at high risk of poverty are the 7 per cent of the population who are internally displaced (IDPs) as a result of the conflict in and around Nagorno-Karabakh.

On paper, Azerbaijani women enjoy full legal equality with men. However, figures relating to unemployment rate among women show unemployment as high as 65.4% while the rate among men is only 34.6%. Low level of education and experience, economic crisis and inflation contribute to established unemployment rate for women, particularly in rural areas. Patriarchal stereotypes and discriminatory practices further prevent women from equal representation, participation and benefit in national labour market.

**Evaluation process and methodology**

The evaluation was structured into three phases: Inception (November 2014), Data collection (December 2014), and Analysis and Reporting (January 2015). The evaluation used a non-experimental design in the absence of realistic comparators or counterfactuals, and in view of the available evaluation time and resources. It encompassed a country-level assessment focusing on the relevance and performance of UNDP towards achievement of Outcome 2 in Azerbaijan; as well as a project level assessment reflecting on overarching themes and issues (such as contextual influences at local and national levels) affecting implementation of projects contributing to the Outcome 2. The overall approach to the evaluation was utilization-focused, gender and human rights responsive, and followed a mixed method approach.

The evaluation used three main sources of data: i) People; ii) documents, files, publications and relevant literature; and iii) observations during the site visits to local communities outside of Baku (which took place in the period of December 2014 – January 2015).

To ensure validity of data, and as part of the process of synthesizing information derived from different data sources and through different means of data collection, the Evaluator used triangulation (comparing data generated from different data sources to identify trends and/or variations); and complementarity (using data generated through one method of data collection to elaborate on information generated through another).

The Evaluator utilized both qualitative and quantitative approaches to data collection and data analysis. Stakeholder participation was fostered through individual and group interviews and focus group discussions. To analyze data, the consultant employed quantitative and qualitative (descriptive, content, comparative) and techniques.

**Key findings**

**Relevance**

UNDP’s interventions within the framework of the Outcome 2 have been relevant to the national priorities of the government, and they respond to the needs of women and young people. The evaluation process finds evidence of coherence between Outcome 2 and related projects and related national and sectoral strategies. Particularities and specific interests of women and young people, vulnerable groups have been taken into account by projects contributing to Outcome 2.

**Effectiveness**

Evaluation findings as regards contribution to envisaged results are positive, overall. The projects achieved their planned outputs, and there is evidence of contributions to progress
towards the outcome. Particularly strong contributions were made in view of strengthening work opportunities and increasing the ability of women and young people to manage risk of unemployment. The results at project and outcome level benefited men and women equally. The most significant contribution is the improving access to and building skills and training, which, besides their main contributions for improvement of socio-economic opportunities, also became a launching pad for the beneficiaries to access other services external to the project disbursements, thus fulfilling one of the key elements for increased equity in socio-economic opportunities.

The main factors supporting progress towards achievement of objectives has been extensive expertise of UNDP in facilitating dialogue and developmental processes. Another critical enabler for the achievement of Outcome is UNDP’s comparative advantage in defining and delivering planned outputs, as well as UNDP’s appropriate and effective approach to building and maintaining partnership.

The main hindering factors and contextual influences limited results achievement. These include a challenging overall status of funding and donor commitment to the areas of focus of UNDP interventions within this Outcome. At operational level, discrepancy between available funds and related project interventions and ambitious Outcome set within the UNDP’s country programme document is a hindering factor. This is accompanied with the poor set of indicators that prevent adequate measurement of actual progress made towards the outcome.

*Sustainability*

Overall, sustainability prospects of the projects implemented within the Outcome 2 are mixed.

The Government commitment and support to projects is strong, while the projects strengthened capacities of counterparts. Still, there are serious concerns about the sustainability of results of both projects once external assistance phases out at this stage, as models introduced are still in the initial level of implementation. The project helped create a number of conditions likely to support the sustainability of results. While certain achievements are likely to be sustained without further support, others will require additional efforts from national actors.

*Efficiency*

UNDP made successful efforts to use available project resources strategically and efficiently. Synergies and complementarity of efforts were ensured through close cooperation with the government and alignment of interventions to national priorities. Evaluation data derived from document review and stakeholder consultations indicate that UNDP complemented and generated synergies with the work of government, while there were no cases of duplication of efforts with other development partners.

*Recommendations*

*For the new Country Programme:*

- UNDP’s new Country Programme should continue supporting government efforts to address regional and gender disparities in work opportunities, with focus on increasing the ability of vulnerable groups to manage and mitigate risks.
- UNDP should explore how it can continue to support to the realization of women’s economic and social rights in Azerbaijan.
For strengthening the *overall performance and impact* of the overall Programme for economic development, it is recommended to UNDP:

- Mainstream gender concern throughout programming within Outcome 2. Every effort to mainstream gender concerns within projects contributing to Outcome 2 should be maintained, as significant disparities continue to be observable with regard to economic opportunities and rights.

  - Continue to support sustenance of promising projects and scaling up of best practices.

At operational level, recommendation is as follows:

- Monitoring of projects should focus more on impacts, on indicators defined for the overall outcome level, and projects should be encouraged to follow suit.
1. Development Context

According to UNDP, Azerbaijan has become a “high human development” country. The Human Development Index ranked Azerbaijan 76 out of 187 countries in 2014. Azerbaijan’s population is 9.48 million in 2014, with 51% under 30 years old. Medium life expectancy at birth is 73.9 years. The population of Azerbaijan is growing, which adds to the acute pressure to create more and better jobs.

Azerbaijan has recorded remarkable growth rates in the last years, largely due to the oil-sector, which continues to dominate the country’s economy. Yet Azerbaijan’s growth has not fully translated into a better life for all members of the population. For example, despite the impressive overall decline in poverty rates, urban areas saw a more rapid decline in poverty than rural areas. The economic wealth is still unevenly distributed between rural and urban areas, and particularly between Baku/Absheron Peninsula and other regions.

Looking at the labour market, the employment rate has marginally improved but still huge disparities persist in terms of job productivity and level of pay between Baku and the regions. People employed in Baku are at least two times better paid than those in the regions.

As a result of general economic dynamism in the last few years, along with significant increases in wages and pensions, poverty has been reduced to 5.3 per cent in 2013. Still, a considerable number of people remain just below or above the poverty line and are particularly vulnerable to external shocks. More than 70 per cent of people earn less than the stated average wage, while in certain sectors this figure reaches 80 to 90 per cent; significant regional and gender differences in wages also exist. With regards to the distribution of poverty rates, high regional differences may be observed. Poverty rates are particularly high for those outside Baku as poverty becomes an increasingly rural phenomenon in the country. Poverty is also predominant among families with many children and with young children. Another key group at high risk of poverty are the 7 per cent of the population who are internally displaced (IDPs) as a result of the conflict in and around Nagorno-Karabakh.

The national labour market is still characterized by deep structural flaws. Overall labour force participation rates have fallen sharply, from 91.7 per cent in 2003 to 77.4 per cent in 2011. Major flows in the national labour market includes a significant mismatch of demand and supply, as well as underemployment, high youth unemployment and the concomitant rise of vulnerable and informal work, which has particularly affected women. Disparities from gender perspective remain stark - average monthly salary received by men makes AZN 520 against AZN 244 received by women. Women also have disproportionately high engagement in the agricultural sector characterized by low productivity. Women continue to face both vertical and horizontal segregation in all sectors of employment and are mainly concentrated in low-wage sectors deemed relevant for them, such as education, health and social services.

On paper, Azerbaijani women enjoy full legal equality with men. Section II of the Constitution of the Republic of Azerbaijan states that “men and women possess equal rights and liberties.” In addition, Azerbaijan signed in 1995 the UN Convention on the Elimination of All Forms of Discrimination against Women. In some professions, Azerbaijani women have been able to build careers. But looking for
example at unemployment rate among women, it is as high as 65.4% while the rate among men is only 34.6%. Low level of education and experience, economic crisis and inflation contribute to established unemployment rate for women, particularly in rural areas. Patriarchal stereotypes and discriminatory practices further prevent women from equal representation, participation and benefit in national labour market.
2. Introduction

In November 2014, following a competitive selection process, United Nations Development Programme (UNDP) in Azerbaijan contracted Ms Zehra Kacapor-Dzihic (Evaluation Expert) to conduct the Outcome evaluation of UNDP’s programmes contributing to Outcome 1 and Outcome 2 of the current UNDP Country Programme Document (CPD). The Evaluation Expert produced two separate reports for each outcome, and draft versions of these reports have been revised based on feedback from UNDP. This final evaluation report for Outcome 2 summarizes key evaluation findings, conclusions, and forward-looking recommendations deriving from the evaluation.

2.1 Overview of Projects and Interventions falling within the Outcome 1

This evaluation is to assess the collective results of UNDP interventions towards achieving positive contributions to the Outcome 2 of the UNDP CPD: «National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks». Under outcome 2, UNDP implements the following projects:

Promoting Innovation and Employment in Azerbaijan (SYSLAB). UNDP, in partnership with the Ministry of Labour and Social Protection and SYSLAB International AS, a Norwegian private company, UNDP helps to establish job search centres in three main cities of Azerbaijan – Baku, Sumgait and Ganja. The job search centres apply an innovative employment scheme, which increases people’s employability and supports them in proactive job search.

Promoting Rural Women Participation in Social and Economic Life. UNDP supports the efforts of the State Committee for Family, Women and Children’s Affairs (SCFWCA) in building capacity of rural women, generating productive cooperation between rural women entrepreneurs and financial institutions, developing gender sensitive programs and policies addressing the needs of rural women and collecting and analysing the data on needs and concerns of rural women in the area of economic empowerment and community development.

Towards Decent Employment Through Structural Reform. UNDP is also active at the policy level. It produced a study Towards Decent Employment through Structural Reform that looks into the main imbalances and barriers to productive employment as well as specific vulnerabilities faced by women and youth.

3. Evaluation purpose, objective, and scope

The purpose of the Outcome evaluation will be to provide UNDP with: 1) an objective review of the projects and the results of their key interventions, including successes, impediments and lessons learned; and 2) to take stock and evaluate UNDP contribution towards economic development resulting in better and more equitable job opportunities and more competitive private sector, as envisaged under Outcome 1 and Outcome 2 of the Country Programme.

More specifically, the evaluation aims to determine:
a) the extent to which the planned outcomes and related outputs have been, are being achieved, and likely to be achieved by the end of 2015;
b) the casual linkage by which outputs contribute to the achievement of the specified outcomes;
c) if and which programme processes, e.g. strategic partnership and linkages are critical in producing the intended outcomes;
d) factors that facilitate and/or hinder the progress in achieving the outcomes, both in terms of the external environment and those internal to the portfolio interventions including weaknesses in design, management, resources etc.;
e) added-value and comparative advantage of UNDP in contributing to the outcomes vis-à-vis other partners implementing similar programmes;
f) lessons learnt from implementation of the interventions.

The evaluation was undertaken to assess whether and how UNDP-funded interventions in Outcome 2 contributed to the achievement of agreed outcomes. For sequencing, the report focuses on:

a) Outcome analysis - what and how much progress has been made towards the achievement of the outcome, including contributing factors and constraints? 
b) Output analysis - the relevance of and progress made in terms of the UNDP outputs, including an analysis of soft-assistance activities.

Output-outcome link - what contribution UNDP has made/is making to the progress towards the achievement of the outcome, including an analysis of the partnership strategy?

The Evaluation Criteria were based on standard OECD DAC guidelines. As the core criteria, the evaluation was directed to assess: Relevance; Achievements (Implementation and Development Effectiveness); Efficiency of Resource Use, and Sustainability. In so doing, the evaluation also attempts to clarify the underlying factors affecting the achievements of the intervention. Particularly, it identifies unintended consequences (positive and negative), formulates lessons learned, and offers recommendations for improving future programming and fostering a partnership strategy.

3.1 Evaluation methodology

The Outcome evaluation was multi-dimensional. Quantitative and qualitative data were collected from a broad range of stakeholders, beneficiaries and non-beneficiaries to ensure independence of the process, as well as accuracy and completeness of the findings, conclusions, recommendations and lessons learned. To gather data, a number of techniques were used and balanced each other: quantitative vs. qualitative data, individual vs. group responses, in-depth interviews vs. direct observation. Such techniques helped capture the diversity of opinions and perceptions of beneficiaries and stakeholders about Projects' strengths and weaknesses, as well as the degree of their satisfaction from participation in these projects. They also helped uncover unexpected positive or negative impacts of the projects, and the extent to which the projects contributed to achievement of Outcomes as set out in UNDP CPD. Finally, they assisted generating sound and evidence-based conclusions and recommendations on important issues to the projects and overall assessment of the two relevant outcomes of UNDP in Azerbaijan.
Given the length and scope of the projects, the consultant proceeded systematically when conducting the evaluation. First, mapping of all major activities under each project was conducted. Second, key intervention areas were prioritised. Third, within each of these areas, stakeholders and beneficiaries that need to be interviewed were identified in cooperation with UNDP. Because all projects have worked with various public institutions and other partners, as well as direct beneficiaries, the consultant conducted interviews with key informants from different stakeholder groups and random samples of assisted beneficiaries. The Consultant communicated with UNDP on the selection of samples to make sure that they are reasonably representative.

To increase the rigor and quality of the evaluation, the consultant triangulated findings. Triangulation was made possible by the various methods of data collection that were used for each major evaluation question. In addition, the consultant asked similar questions to different stakeholders that are involved in the same issue. Whenever possible, the consultant linked qualitative with quantitative techniques. The different data collected were analysed, and the findings were related to each other. However, it is evident that even though the triangulation method may yield convergent findings, this does not mean that these findings are unquestionable. For this reason, the Evaluation consultant presented the preliminary findings - as a basis for further consultation and gaining further information and evidence from UNDP—before drafting the Final Report.

In accordance to the above, evaluation was completed through two sub-activities carried out simultaneously: qualitative and quantitative data collection. The work for the qualitative data collection was primarily conducted through interviews and other interactions with those organizations and individuals, as well as other stakeholders and partners that were involved in the activities of the projects. In addition, the consultant conducted a comprehensive review of historical information and reports pertaining to projects since their inception, and earlier, as necessary. This information was analysed and the results were tailored to answer the main evaluation questions outlined in the ToR.

Qualitative data was collected by using a number of methods including:

- A critical desk review of materials related to all relevant projects, as well as any material that was provided by UNDP such as project reports and annual work plans, project performance management plan, data on achievement of performance indicators, etc. This review also extended to documents external to the projects that were identified by the consultant through own research or through informants, which have a bearing on the evaluation questions.
- Interviews with UNDP and project staff.
- In-depth, semi-structured interviews with representatives from the government counterparts. Semi-structured interviews were conducted as a more appropriate and valuable technique, because they allowed beneficiaries to present and explain points freely.
- In-depth interviews with a variety of representatives of partner institutions who participated/supported each project.
- Field visits and meetings with project partners in target communities as envisaged in the ToR. These visits were an opportunity to meet some of the beneficiaries, to conduct field observation, and gather best practices and lessons learned from project implementation. Particular attention was paid to interviews with women who participated in the projects in order to gauge the impact of projects’ activities on them.
- Review of project outputs against objectives and performance indicators.
- Interviews with other agencies, such as GIZ, involved in supporting economic development in Azerbaijan.
- Focus Group Discussions (FGDs) to obtain qualitative information to strengthen analysis and understand the relationship between the projects and the results they have achieved, within the given context in the country.

**Quantitative data collection methods will consist of:**

- Review of data sourced from the projects on indicators related to outcomes of UNDP CPD
- Collection and review of secondary data from the analysis of the legal framework for improvement of job opportunities and more competitive private sector.
- Review of data from available surveys and other studies.

**Data Analysis**

After finishing field mission, the Evaluation consultant processed and consolidated the raw quantitative and qualitative data collected. The analysis was based on the standard evaluation criteria adopted by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD-DAC). Evaluation findings and recommendations for future UNDP interventions were presented for comment before consultant’s departure. The final report was submitted after comments of UNDP are fully integrated.

**3.2 Limitations of the evaluation**

The following limitations of the evaluation process have been encountered:

- The Evaluator did not have a chance to meet wider group of representatives of different development partners (e.g. donor community, international and national organisations, etc.) active in the sector of relevance for Outcome 2). This limited the ability of the Evaluator to triangulate information regarding activities and results achieved in collaboration with the respective development partners.
- The indicators set forth for the Outcome 2 are broad and not SMART, which makes it difficult to measure the degree of progress achieved.
- Project reports are primarily activity based and presenting a summary of key immediate results achieved, not sufficiently elaborating on outcomes (changes occurring as a result of intervention) of interventions implemented, which makes it difficult to establish clear output- outcome links.
4. Evaluation findings

This chapter presents the main findings that emerge from the evaluation and is structured along the four evaluation areas (Relevance, Efficiency, Effectiveness and Sustainability). Details and illustrative examples for the findings are provided throughout the text. For each evaluation criterion an overall rating is provided that is based on the scoring rubric included in Annex III and Annex IV.

4.1 Relevance

According to OECD-DAC criteria, the assessment of relevance aims to determine the extent to which project activities within Outcome 2, including the overall goal and objectives, and the intended impacts and effects; are suited to the priorities and policies of the target groups.

Evaluation question 1.1: To what extent do the intended outcome and the relevant outputs address national priorities?
Evaluation question 1.2: Have UNDP interventions been relevant to women and other vulnerable groups?
Evaluation criteria covered: Relevance
Overall evaluation rating for this criterion: excellent

Overall finding 1  UNDP's interventions contributing to Outcome 2 are relevant to the national priorities of the government, and they respond to the needs of women and young people.

Evaluation matrix question 1.1. Alignment with national priorities
Finding 1  There appears to be a strong coherence between Outcome 2 and related projects and related national and sectoral strategies.

Projects contributing to the Outcome 2 and their components reflect well the expressed needs of the Azeri Government. The projects have been designed and implemented in close partnership with the government and as such they directly respond to relevant national priorities and strategic documents, particularly conclusions and recommendations from the National Employment Strategy. Strong involvement of many national and local authorities has well supported the development and implementation of a highly relevant design and intervention approach. The individual project components were prepared by UNDP and all relevant national and local stakeholders were consulted during the programming.

Specifically, interventions undertaken within the SYSLAB project address the challenge of fostering innovative approaches to skill development and capacity building of young people-job seekers to

1 Please see Annexes III and IV for further details on how this and following ratings were arrived at.
acquire modern job-seeking methods, entrepreneurship, systematic business and person-to-person networks. At the same time, the Project addresses the need to innovate approaches of the State Employment Service under the Ministry of Labour and Social Protection of Population (SES/MLSPP).

The Project «Promoting Rural Women’s Participation in the Social and Economic Life» aligns with the legislative and strategic base for protection of women’s economic rights as well as international commitments of the state towards women empowerment and protection of women rights. The project assists the government in enhancing economic and civic participation of women in rural parts of the country, in line with legislation or state policies. It also responds and addresses the CEDAW Recommendation (paragraph 28) from the Concluding Observations of the Committee on the Elimination of Discrimination against Women, 44th session, 20 July – 7 August 2009, which requires the State party to pay special attention to the needs of rural women, and to initiate partnerships with international organisations and donors to address the socio-economic causes of discrimination against women, including those impacting women in rural areas.³

**Evaluation matrix question 1.2. Alignment with specific interests of women and vulnerable groups**

**Finding 2**  
*Particularities and specific interests of women and young people, vulnerable groups have been taken into account by projects contributing to Outcome 2.*

Interventions contributing to Outcome 2 address the observable challenges of the national labour market, which is characterized by a significant mismatch of demand and supply, as well as high youth unemployment and the concomitant rise of vulnerable and informal work, which has particularly affected women. Interventions also address the need to empower women to take more proactive role in exercising their socio-economic rights, thus contributing to reverting the negative trend of vertical and horizontal segregation in all sectors of employment. Gender equality, especially social and economic rights of women and young people, who are considered as vulnerable groups due to specific challenges and needs this population has been the core of the Projects contributing to Outcome 2, so their needs have been addressed through a number of interventions in the areas of employment, and favourable measures that stimulate economic development in local communities.

**4.2 Effectiveness**

The understanding of effectiveness guiding the section is the OECD’s DAC definition, which focuses on measuring the extent to which an aid activity attains its objectives, giving consideration to the extent to which objectives were achieved and the major factors influencing the achievement or non-achievement of the objectives.

**Evaluation question 2.1: To what extent the planned outcome has been or is being achieved?**

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Evaluation question 2.2: How have the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective?
Evaluation question 2.3: What are the challenges to achieving the outcome?
Evaluation question 2.4: Has UNDP best utilized its comparative advantage in defining and delivering these planned outputs?
Evaluation question 2.5: Has UNDP’s partnership strategy been appropriate and effective in contributing to the outcome?
Evaluation question 2.6: To what extent did the results, both at the outcome and output levels, benefit men and women equally?
Evaluation question 2.7: Is the current set of indicators effective in informing the progress made towards the outcome?
Evaluation criteria covered: Effectiveness
Overall evaluation rating for this criterion: Very Good

Overall finding 2 Evaluation findings as regards contribution to envisaged projects’ results are very positive, overall. The projects achieved their planned outputs, and there is evidence of contributions to progress towards the outcome. Particularly strong contributions were made in view of strengthening work opportunities and increasing the ability of women and young people to manage risk of unemployment.

The Outcome design has been ambitious in scope and coverage relative to its timeframe and resources. Targeting disadvantaged young men and women, especially those most at risk of social exclusion has been a crucial success factor for a set of the two well designed interventions contributing to the outcome. The programme also focuses well on developing evidence-base for mechanisms and policies to enhance potential for youth employment and women socio-economic empowerment, on strengthening the capacity of national institutions to design integrated labour market aligned with policy objectives and on supporting local institutions in piloting innovative employment and business start up programmes.

Evaluation matrix question 2.1. Level of achievement of planned outcome

Finding 3 Projects implemented within Outcome 2 are making substantial progress towards effective achievement of the Outcome. The most significant contribution is the improving access to and building skills and training, which, besides their main contributions for improvement of socio-economic opportunities, also became a launching pad for the beneficiaries to access other services external to the project disbursements, thus fulfilling one of the key elements for increased equity in socio-economic opportunities

Interventions within the SYSLAB project are directly aligned and tackling essential issues related to the socio-economic problems that young people in Azerbaijan face. They are in line with National Employment Strategy 2006-2015 and contribute to job creation and local/regional business development by providing motivated and competent work force. In the course of the SYSLAB project, young people, policy makers and administrators are confronted with a large number of innovative tools and models to actively fight youth unemployment. New approaches, innovative
models for professional mentoring and guidance in career planning and employment qualifications help to make young people more responsible for their own future and more realistic and pro-active in approaching the labour market. Young people, participants of courses, are being better informed about the potential drawbacks of inadequate job-seeking methods and how to approach the market in an appropriate way. Still, these Project models and activities are piloted in only three Training centres within auspices of the State Employment Service under the Ministry of Labour and Social Protection of Population (SES/MLSPP). All these activities need further systematic replication and dissemination by the national and local authorities involved in order to boost the effects being produced and thus to significantly contribute the timely achievement of stated Outcome 2.

The Project "Promoting Rural Women’s Participation in the Social and Economic Life" contributed to creation of enabling environment for economic and social activity of rural women in the pilot community (Sabirabad) thus providing important lessons learned for future replication and scaling up (planned for the next phase of the Project). Project supported building links among informal interest groups of rural women and connecting the women with locally represented private sector actors (banks, non-banking credit organizations) and relevant state bodies responsible for policy development and implementation (the staff of SCFWCA’s Regional Centre/s in the pilot area/s and SCFWCA’s central office). These efforts contributed to building social capital for women and empowering them to take proactive steps in exercising their rights and initiating their business ideas or employment opportunities. Simultaneously, the project invested efforts in building capacities of government counterparts, sharing ideas and models for working with women, particularly in terms of importance of evidence-based policies. Finally, establishment of the Women Resource Centre (WRC) and capacity building of the WRC staff were important enablers for women to feel empowered to take more proactive role in community life and replicate their knowledge and skills with other women. Such strategy will enable the WRC to continue implementation of the training programmes delivered throughout the project.

However, all these activities have only targeted small territorial area (women from Sabirabad and surrounding villages, women from Saatli region who participated in different trainings and 1 women benefited from project in-kind contribution and established her own business), and three State Employment Service Training centres (Baku, Ganja and Sumgayit). Such interventions do make significant shifts at individual level, however their scope and outreach is very limited as both projects’ pilot new models, so their results do not make shifts on economy or population as a whole.

Evaluation matrix question 2.2. Extent to which the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective

Finding 4 The results at output level delivered by UNDP affected the outcome positively and effectively.

Contributions to empowerment of women, particularly those coming from rural areas, are considerable. The project for support to rural women has succeeded in opening a window to the world for women in the remote and traditional areas, infiltrating the barriers of women’s marginalisation. More than the immediate impact on women of the various economic empowerment based interventions, making the employment or business start up opportunities accessible to women is the achievement of this project.
and a significant contribution towards the Outcome. Capacity development efforts involved a range of strategies, including, but not limited to (tailor-made) trainings, workshops and discussions space for women to exchange and network. Women participants considered them to be relevant and effective in view of their immediate objectives. The capacity building also contributed to increased sense of self-confidence and motivation to establish own businesses and pursue different economic endeavours. The Project was also successful in working with local government and women to establish a Women Resource Centre as a space for women to gather, exchange business and other ideas and plans and discuss lessons learned and experiences. The project engaged with over 20 business partners, to facilitate the job search for women and their adequate entry into the labour market. This is important contribution, particularly in small communities where gender roles are still divided and women are marginalized.

The SYSLAB project has been effective in helping young people strengthen and develop skills that they do not acquire throughout regular education, primarily presentation skills, matching their education/skills with job market needs, developing CVs and other job search skills. The project has been successful in promoting and attracting young people to enrol in the trainings, offered them enabling space to train skills, practice them in the peer groups, exchange and learn of project opportunities. The Project included a total of 452 young people (275 women and 177 men) in the three centres in the period of 2011 - 2014. Out of that number, 358 persons found employment by the end of December 2014. Connecting potential employers with the training participants was another important input by the project. Review of project reports shows that planned outputs have been achieved and that the desired results are being achieved, albeit the new funding circumstances put in question the sustainability of Resource centres opened in Baku, Ganja and Sumgayit. Another challenge (if project continues) is the shift in young people’s expectations of the course. The first rounds’ success in connecting the training participants with employers, resulting in high employment rate (over 80%) of people participating in the course, seems to have shifted the young people’s expectations of the course. The Focus group conducted in Sumgayit shows that many young people perceive the role of the centre as the “head hunting” agency or as a mechanism to find employment easily. This raises a concern that the course’s attractiveness will decrease if further efforts are not put to adequately market the course as means to develop skills that will increase employability of young people and not merely as employment finding tool.

Evaluation matrix question 2.3. Challenges to achieving the outcome

**Finding 5**  
Outcome 2 is broad and requires extensive efforts of UNDP to make significant contribution. This is the main challenge: discrepancy between the available funds and related project interventions and ambitious Outcome set within the UNDP’s country programme document.

UNDP has established strong and durable partnership with the government and different national and international actors (from private and public sectors). This is an extremely important and valuable positive driver for success of interventions. However, the country is not high on international donor aid

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4 For example, a number of focus group participants mentioned their frustration with shorter duration of the Course as the course organisers did not succeed in finding employment for them.
map anymore, which limits UNDP’s potential for diversification of fundraising and financing base. Also, UNDP office is rather small, which makes it more operational but limits its outreach.

Evaluation matrix question 2.4. Utilisation of UNDP's comparative advantage in defining and delivering planned outputs

Finding 6 UNDP's comparative advantage in defining and delivering planned outputs has been strong.

Evaluation data obtained through document review and consultations with stakeholders indicate that UNDP is well positioned to implement the projects thanks to the following factors:

- Its mandate of supporting countries in their development path through supporting interventions to eradicate poverty through development, equitable and sustained economic growth, and capacity development calls for investments in the projects contributing to Outcome 2.
- UNDP was able to build on a strong reputation\(^5\), knowledge of, and existing relationships with government partners in the country, final beneficiaries as well as with other development partners active in the country.
- UNDP has built on the very successful partnership established with the Government of Norway that provided funding for the SYSLAB project
- While some other development partners in Azerbaijan worked on issues of women empowerment, economic development or labour markets, UNDP is well positioned to specifically focus on the combination of these issues.
- As regards technical capacities, UNDP was able to build on its relevant experiences and expertise derived from other (national, global and regional) programming on economic empowerment, specifically experiences of setting up SYSLAB centres in Kazakhstan.

Evaluation matrix question 2.5. Appropriateness and effectiveness of UNDP’s partnership strategy in contributing to the outcome

Finding 7 UNDP's partnership strategy to contribute to the Outcome was appropriate and effective.

UNDP has managed to establish strong partnerships with the Government and its respective ministries and institutions. The Project "Promoting Rural Women’s Participation in the Social and Economic Life" is implemented in close partnership with the State Committee for Family, Women and Children’s Affairs of Azerbaijan Republic, and the interviews showed clear commitment and ownership of the Committee over the project and its results. The Ministry of Labour and Social Protection of Population and its State Employment Service are partners for the SYSLAB Project. Interviews with relevant government counterparts shows that the coordination between the different ministries and UNDP has generally been smooth and the obligations on both sides were fulfilled as per plan. All projects have staff

\(^5\) UNDP provided strong and positive contribution to evidence base for policy making through reports and analyses that were recognized by policy makers and other development partners (e.g. UNDP report on Converting Black Gold into Human Gold, available at http://www.az.undp.org/content/azerbaijan/en/home/library.html)
both from respective sectoral ministry/institution and commissioned by UNDP. The projects do facilitate the work of counterparts, and partnerships have positive sustainability perspective.

Engaging the Private Sector (PS) has been a strong enabler and positive value brought by UNDP's partnership strategy. The attempt of both projects to engage private sector actors (companies, banks, etc.) was successful and contributed strongly to achievement of results and improvement of Outcome 2 strategies. The involvement of private sector was also an added value brought to scaling up and sustaining development processes.

Evaluation matrix question 2.6. Extent to which the results, both at the outcome and output levels, benefited men and women equally

Finding 8 The results at project and outcome level benefited men and women equally.

The Outcome 2 and its related Interventions within have placed support to gender equality as the core of interventions. The outputs achieved under the projects have an indivisible linkage to the creation of an environment in which there is increased equity in socio-economic opportunities and services equally for women and men. Specifically, the SYSLAB Project had gender as one of criteria for enrolment in courses. The Projects coordinated and managed this process and built much needed local capacity, thereby facilitating the smoother implementation of national priorities.

Evaluation matrix question 2.7. Effectiveness of current set of indicators in informing the progress made towards the outcome

Finding 9 Effectiveness of current set of indicators in informing the progress made towards the outcome is poor.

Indicators set for this Outcome 2 are rather general and do not allow to measure the extent to which UNDP's interventions contributed to the achievement of Outcome 2. The assessment of indicators as means to measure the extent of achievement of Outcome 2 is not realistic as no direct link between UNDP’s contribution and the overall changes in the society can be made. For example, while projects do contribute to both indicator: 1.2.1 Labour force participation rate by urban/rural/sex and Indicator: 1.1.2 Employment rate by urban/rural/sex, changes in indicators cannot in any way be attributed to UNDP's interventions, as both projects implemented by UNDP reached out to a small population, which is statistically irrelevant.

4.3 Efficiency

Evaluation question 3.1: Has there been any duplication of efforts among UNDP's interventions and interventions delivered by other organizations contributing to the outcome?
Evaluation criteria covered: Efficiency
Overall evaluation rating for this criterion: Excellent
Overall finding 3  UNDP used the available project funds strategically and efficiently to achieve the envisaged results of projects. Synergies and complementarity of efforts were ensured through close cooperation with the government and alignment of interventions to national priorities.

With regard to project efficiency, outputs are considered to be satisfactory and in some instances having exceeded inputs. Delivery has been timely and support by the relevant government counterparts was positive and assisted the process.

Evaluation matrix question 3.1. Existence of duplication of efforts among UNDP’s interventions and interventions delivered by other organizations contributing to the outcome

Finding 10  Evaluation data derived from document review and stakeholder consultations indicate that UNDP complemented and generated synergies with the work of government, while there were no cases of duplication of efforts with other development partners

Range of actors support women empowerment in Azerbaijan (including EU, other UN agencies, bilateral donors); however the support provided through SYSLAB project has been provided by UNDP and the Ministry of Labour and Social Protection of Population solely. Also, the project for empowerment of rural women ensured no duplication of efforts as it focused on a specific geographic area. In general, UNDP regularly shares information and coordinates with other development partners through the thematic donor meetings, to avoid duplication of efforts.

4.4 Sustainability

Evaluation question 4.1: How strong is the level of ownership of the results by the relevant government entities and other stakeholders?
Evaluation question 4.2: What is the level of capacity and commitment of the Government to ensure sustainability of the results?
Evaluation criteria covered: Sustainability
Overall evaluation rating for this criterion: Moderate

Overall finding 4  Overall, sustainability prospects of the projects implemented within the Outcome 2 are mixed. The Government commitment and support to projects is strong, while the projects strengthened capacities of counterparts. Still, there are serious concerns about the sustainability of results of both projects once external assistance phases out at this stage, as models introduced are still in the initial level of implementation.

Interviews with partners and stakeholders have demonstrated strong commitment, leadership, and technical capabilities to continue the efforts for improvement of the systems, approaches and mechanisms for career guidance and support to empowerment of rural women. However, while the projects have contributed to enhancing organizational capacities, efforts undertaken to date have only ‘scratched the surface’, be it in terms of being able to reach a significant proportion of population, or involving and securing sustainable sources of funding of the Women resource centre or the training
centres established by SYSLAB). In these cases, more efforts by national actors and UNDP are needed to ensure that achievements made to date can be built upon and expanded.

Evaluation matrix question 4.1. Level of ownership of the results by the relevant government entities and other stakeholders

Finding 11 Level of ownership of results by relevant government entities and other stakeholders is very strong.

UNDP made appropriate and successful efforts to create and/or strengthen and facilitate partnerships and networking among national and local actors, thereby enhancing actual and potential future coordination of efforts among them, which contributes to increased ownership by government entities and other stakeholders. Close partnership and following the priorities of the government resulted in strong ownership over projects and their results. Still, while the assistance builds up capacities to undertake certain activities, it does not necessarily ensure that the Women Resource center will remain active or that Employment Agency will maintain the career guidance character and continue to mobilize resources and staff after the assistance ends.

Evaluation matrix question 4.2. Level of capacity and commitment of the Government to ensure sustainability of the results

Finding 12 The project helped create a number of conditions likely to support the sustainability of results. While certain achievements are likely to be sustained without further support, others will require additional efforts from national actors.

UNDP made largely successful efforts to create or strengthen existing conditions likely to foster the continuation and dynamic adaptation of results of both projects. However, government counterparts for both projects are of the opinion that another phase is required, as continuity and sustainability are of paramount importance. Nonetheless, there is also an overt acknowledgement that it is the responsibility of the government to ensure the sustenance of the efforts.

5. Lessons learned

A number of ‘emerging good practices’ demonstrated by projects contributing to the Outcome 2 have been pointed out throughout the report. Based on these, as well as on other evaluation findings presented in the previous sections, the Evaluator would like to highlight the following lessons that have been learned through the experience of the projects implemented within the framework of Outcome 2 under review.

- Supporting empowerment and socio-economic rights of women, particularly those in rural areas remains relevant and important area of focus for national and international partners. Piloted interventions within the Outcome 2 prove that important positive impacts on livelihood of women and other marginalised groups can be achieved with even humble budgets, if commitment, joint action and efforts are there.
• Capacity development and empowerment requires time. Efforts aiming to support the process of capacity development need to be tailored to the respective stakeholders, and employ a variety of complementary strategies. UNDP successfully mitigated the challenge of working with very different groups of stakeholders by developing tailor-made capacity development programmes based on consultations with the respective stakeholders that were continuously adapted and adjusted based on feedback and experiences with their initial implementation. In most cases, capacity building efforts were complemented by other measures geared towards institutionalizing and enforcing the actual application of knowledge and skills presented to participants, e.g. through the development of business plans and providing opportunities to initiate businesses for women in rural areas.

• Continued, longer-term engagement with national partners facilitates results achievement. Several of the involved national and local partners were involved for the whole, or at least most of the curation of the projects. Several of these partners, e.g. the Ministry of Labour and Social Protection of the Republic of Azerbaijan and the State Committee for Children, Women and Family Affairs, had worked with UNDP on similar issues prior to the current Country Programme. The continued relationship allowed for building and deepening mutual trust, as well as a better understanding of the needs, capacities, and challenges faced.

• Local level ownership is a critical positive driver of change, particularly for projects that work towards empowerment of marginalised groups, and this is not associated with only this outcome. Support and commitment of local level government and collaborative efforts in the implementation of project interventions with local stakeholders makes the change more possible.

• Partnerships with private sectors are possible and important for moving the change (impacts) into positive direction. Direct engagement of and follow up with private sector has brought new employment and business partnership opportunities, facilitated by the project teams. The approach to engaging private sector is important model that would be of benefit for other actors and should be shared.

• Flexibility in project implementation allows project partners to assume ownership and leadership for results achievement. UNDP repeatedly encouraged and supported its partners to revise activities and plans if required by changes in their respective contexts, or if implied by emerging new opportunities. This flexibility, together with the consistent approach of treating project partners as professionals able to make informed decisions allowed national partners to express and demonstrate their commitment, capacities, and leadership.
6. Conclusions and recommendations

This section summarizes a number of conclusions based on the main evaluation findings.

Conclusion 1:

UNDP interventions contributing to Outcome 2 have been highly relevant in view of existing and emerging international and national commitments of the government to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks, and in light of existing gaps in mechanisms and institutional capacities of relevant actors.

_Evaluation criteria: Relevance, effectiveness._

Overall, Outcome 2 is highly relevant and addresses key issues in addressing regional and gender disparities in work opportunities, and in increasing the ability of vulnerable groups to manage and mitigate risks. Targeting disadvantaged young men and women, especially those most at risk of social exclusion has been a crucial success factor for the set of intervention within this Outcome. The interventions within the Outcome 2 also focus well on developing evidence-based mechanisms and approaches to supporting youth employment and women socio-economic empowerment, on strengthening the capacity of national institutions to design integrated labour market services aligned with policy objectives and on supporting local institutions in piloting innovative employment and business start up programmes.

Conclusion 2:

The projects achieved envisaged outputs, and made contributions to the planned outcome. Particularly strong contributions were noted in relation to strengthening institutions through modelling new systems and mechanisms, which gathered valuable lessons and knowledge, towards institutional development. Still, continuation and expansion of achievements of both projects are threatened by the lack of financial resources.

_Evaluation criteria: Effectiveness, sustainability._

The projects engaged with all key actors involved in promoting and ensuring the effective implementation of relevant legislative and policy commitments. Both projects included capacity development efforts, which involved a range of strategies, including, but not limited to (tailor-made) trainings and direct work with beneficiaries, and participating agencies considered them to be relevant and effective in view of their immediate objectives. While some project achievements are likely to have contributed to actual changes to how the respective partner institution addresses their relevant area of concern, in other cases capacity development efforts have only helped to create a basis that will require additional efforts in order to contribute to visible change in institutional/organizational practices.

Conclusion 3:
Experiences gained during project implementation are relevant to other UNDP programming in the area of supporting Policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks, and other programming in similar contexts.

Evaluation criteria: Relevance, effectiveness, efficiency, sustainability

The project to support Career guidance centres and establishment of Women resource centres allowed UNDP and their government counterparts to explore comparatively new terrain within its corporate experience and expertise, such as supporting directly women employment and/or business start up, or initiating career guidance. Experiences from implementation of interventions bring important institutional knowledge, lessons learned and models which may be replicated to other communities and regions within the country.

Recommendations

For the new Country Programme:

- **UNDP's new Country Programme should continue supporting government efforts to address regional and gender disparities in work opportunities, with focus on increasing the ability of vulnerable groups to manage and mitigate risks.** The challenges and issues targeted by interventions within this Outcome remain relevant and important areas to invest efforts. Still the Country programmes should adopt flexible project design and implementation mechanisms responsive to changes in the operating environment. In order to achieve sustainability, it is essential that projects retain the ability to adapt to changes in the programming context.

- **UNDP should explore how it can continue to support to the realization of women's economic and social rights in Azerbaijan.** Despite the noted progress made towards empowerment of the women targeted by the project interventions, the long term goal of decreasing regional and gender disparities in work opportunities, a lot remains to be done in this regard. To this end, the projects contributing to the Outcome 2 under review have laid valuable foundations that can and should be built upon. Without further external support many of the achievements made to date are not likely to last or contribute to further and more significant changes. UNDP should therefore explore how it might be able to provide continued support to national actors.

For strengthening the overall performance and impact of the overall Programme for economic development, it is recommended to UNDP:

- **Mainstream gender concern throughout programming within Outcome 2.** Every effort to mainstream gender concerns within projects contributing to Outcome 2 should be maintained, as significant disparities continue to be observable with regard to economic opportunities and rights.

- **Continue to support sustenance of promising projects and scaling up of best practices.** UNDP can achieve more impact by mobilizing resources and testing innovative approaches, steering successful methods/approaches and devising mechanisms for their scale up. The approaches used in both projects implemented within the framework of Outcome 2 have future potential benefits if scaled up.
At operational level, it is recommended to:

- Monitoring of projects should focus more on impacts, on indicators defined for the overall outcome level, and projects should be encouraged to follow suit.
Annex 2. Terms of Reference

UNDP AZERBAIJAN

TERMS OF REFERENCE FOR OUTCOME EVALUATIONS

Country Programme Outcome 1:
National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks.

Country Programme Outcome 2:
Policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks.

Title: Evaluation Consultant (international position)
Type of contract: Individual Contract
Timeframe: November – December 2014
Duty station: Home-based with travel to Azerbaijan

INTRODUCTION
UNDP Country Programme document (CPD) for 2011-2015 is directly based on the United Nations Development Assistance Framework (UNDAF) for Azerbaijan (2011-2015). The UNDAF was formulated in consultation with the Government of Azerbaijan and development partners and is aligned with the State Programme for Poverty Reduction and Sustainable Development (SPPRSD) for 2008-2015, which provides for achievement of the Millennium Development Goals. Under the CPD, UNDP Azerbaijan works to contribute towards the achievement of five development outcomes:

Outcome 1: National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks

Outcome 2: National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks
Outcome 3: Relevant national strategies, policies, and capacities strengthened to address environmental degradation, promote a green economy, reduce vulnerability to climate change

Outcome 4: By 2015 civil society, media and vulnerable groups enjoy an increased role in policy formulation and implementation processes

Outcome 5: Efficiency, accountability and transparency in public administration enhanced through capacity development of State entities, including gender sensitive approaches

In line with the Evaluation Plan of UNDP Azerbaijan, an outcome evaluation will be conducted to assess UNDP contributions towards the progress made on outcome achievements. Specifically to this Terms of Reference, UNDP contribution towards the following outcomes will be evaluated:

*National policies and institutions strengthened to increase private sector competitiveness, remove trade barriers, especially for exports, while reducing vulnerability of the economy and population to external shocks*

*National strategies, policies, capacity to address regional and gender disparities in work opportunities strengthened, with focus on increasing the ability of vulnerable groups to manage and mitigate risks*

This ToR outlines the scope, the requirements and expectations of the evaluation and will serve as a guide and point of reference throughout the evaluation.

1. BACKGROUND AND CONTEXT

Situated at the crossroads of Europe, Central Asia and the Middle East, Azerbaijan has become a confident and relatively stable State in the post-Soviet era and an upper-middle-income country. It is experiencing one of the most exciting periods in its history and is implementing a development path intended to make it a leader in the South Caucasus and beyond. The Government has recently declared that “Azerbaijan has completed a period of transition”, with new socioeconomic systems established and with the necessary infrastructure to support expanded economic activities taking shape.

Driven by hydrocarbon wealth, growth in Azerbaijan remained comparatively buoyant overall despite the global economic downturn, and GDP in 2012 reached US$66.6 billion, a more than threefold increase from 2003. While the hydrocarbon sector produce almost half the country’s GDP, it only employs 1% of the labour force. The sector is extremely capital intensive and requires very low labour participation. On the other hand, agriculture, forestry and fishing produce only 6% of GDP, but employ 45% of the economically active population.

Over the past decade employment in Azerbaijan has grown. Employment rate has marginally improved from 60.9% in 2011 to 61.2% in 2012 while the quality of employment seems to have deteriorated due to the increased share of informality as captured by swelling agricultural employment that acts largely
as a fall back option for people who could not find productive employment in other sectors of the economy.

Disparities persist in terms of job productivity and level of pay between Baku and the regions. While pay level has increased in all parts of the country, the rate of pay increase in Baku is faster. People employed in Baku are at least two times better paid than those in the regions. Disparities from gender perspective remain stark - average monthly salary received by men makes AZN 520 against AZN 244 received by women. Women also have disproportionately high engagement in the agricultural sector characterized by low productivity. The highest unemployment level is continuously observed among youth aged 15-24. Another group excluded from productive life are people with disabilities (PWD). While there is no official statistics on unemployment among PWD, a quantitative survey by UNDP/UNICEF conducted in 2012 shows that 74% of PWD aged 16-64 are unemployed and little has been done to improve their access to employment.

Azerbaijan’s economy continued to depend on the revenues from the oil sector, with private sector contributing about 80% to GDP, according to the government statistics, while lion’s share of exports falls on hydrocarbons. As such, the economy remains vulnerable to the potential external shocks, particularly to volatility of oil prices at the international market.

There are two recognized international indexes that gauge business environment and competitiveness - the World Economic Forum’s “Global Competitiveness Index” and the World Bank’s “Ease of Doing Business” Report. The 2013-2014 Global Competitiveness Index has raised Azerbaijan’s ranking from the 46th to the 39th place out of 144 countries, which reflects a satisfactory state for future development of the country. The report cites corruption, tax rates and inadequately educated workforce as the top three problematic factors for doing business in Azerbaijan.

Azerbaijan also has a satisfactory standing in respect to business environment and competitiveness as reflected by its ranking at 70th out of 189 countries included in the World Bank’s 2013 Ease of Doing Business Index. The content of this index, however, also shows that Azerbaijan should particularly emphasize improvements in the areas of paying taxes (70/189), resolving insolvency (86th), trade across borders (168th), dealing with construction permits (180th), and getting electricity (181st).

Although Azerbaijan has decent international ratings on business environment and competitiveness, the qualitative assessments point to the fact that development of non-oil activities was spurred by public spending and revamped infrastructure while structural reforms encouraging competition and facilitating trade are resisted as disruptive of existing economic interests.

2. EVALUATION PURPOSE AND OBJECTIVES

The current UNDAF and the associated UNDP Country Programme are set to expire in 2015. In 2014, UNDP, along with other members of the UN System in Azerbaijan, have initiated a broad-based participatory process of formulation of a new UNDAF and, later on, the UNDP Azerbaijan Country Programme to cover years 2016-2020. The purpose of this evaluation is to take stock and evaluate UNDP contribution towards economic development resulting in better and more equitable job
opportunities and more competitive private sector, as envisaged under Outcome 1 and Outcome 2 of the Country Programme. The evaluation findings will mainly be used to inform the planning, design and formulation of the new CPD for UNDP Azerbaijan. Therefore, this evaluation will need to be forward-looking; the findings and judgments made must be based on concrete evidence that will support UNDP strategic thinking for its new programme cycle, specifically in determining its strategic priorities in supporting the Government in the area of economic development.

The outcome evaluation will assist UNDP in gaining a better understanding of the following aspects of its interventions:

5. the extent to which the planned outcomes and related outputs have been, are being achieved, and likely to be achieved by the end of 2015;
6. the casual linkage by which outputs contribute to the achievement of the specified outcomes;
7. if and which programme processes, e.g. strategic partnership and linkages are critical in producing the intended outcomes;
8. factors that facilitate and/or hinder the progress in achieving the outcomes, both in terms of the external environment and those internal to the portfolio interventions including weaknesses in design, management, resources etc.;
9. added-value and comparative advantage of UNDP in contributing to the outcomes vis-à-vis other partners implementing similar programmes;
10. lessons learnt from implementation of the interventions.

3. EVALUATION SCOPE

This evaluation is to evaluate the collective results of UNDP interventions towards improved private sector competitiveness and better work opportunities in Azerbaijan as implemented through various projects and initiatives under the Outcome 1 and Outcome 2 of the current CPD.

Programmatic scope:

Under outcome 1, UNDP implements two projects:

1) Support to Baku Tourism Vocational School – The projects addresses one of the main problematic factors for the private sector competitiveness - lack of adequately educated workforce. UNDP’s assistance is focused on one of the most promising sectors of non-oil development - tourism industry. Through this project, UNDP aims to raise educational standards in tourism and supply the sector with qualified labour force thereby enabling the tourism businesses to deliver better services and successfully compete in the world market. For this purpose, UNDP has supported modernization of the Baku Tourism Vocational School by upgrading learning facilities, developing new curricula for several professions and re-training of teachers.
2) **South-Caucasus Integrated Border Management (SCIBM)** - Project aims to enhance strategic border management capacities; develop and establish IBM-related procedures and operations including Border Check Points (BCPs); assess the benefits of IBM approach through pilot activities; provide technical assistance to pilot BCPs and other IBM-related units.

In addition to project type interventions, UNDP is also active at the policy level by advocating for the diversification of the economy as a way to make the country more resilient to external shocks, such as global economic crisis and oil price volatility. We have stimulated policy debates on challenges and opportunities of single-resource economies and organized several international workshops that came up with a set of recommendations to help the decision-makers in Azerbaijan shape policies to reduce the risks typically faced by resource-rich economies and ensure sustainable and equitable growth.

Under outcome 2, UNDP implements two projects and one thematic study.

1) **Promoting Innovation and Employment in Azerbaijan (SYSLAB)** – UNDP, in partnership with the Ministry of Labor and Social Protection and SYSLAB International AS, a Norwegian organization, UNDP helps to establish job research centres in three main cities of Azerbaijan – Baku, Ganja and Sumgait-. The job career centres apply an innovative employment scheme which increases people’s employability and supports them in proactive job search.

2) **Promoting Rural Women Participation in Social and Economic Life** – UNDP supports the efforts of the State Committee for Family, Women and Children’s Affairs (SCFWCA) in building capacity of rural women, generating productive cooperation between rural women entrepreneurs and financial institutions, developing gender sensitive programs and policies addressing the needs of rural women and collecting and analyzing the data on needs and concerns of rural women in the area of economic empowerment and community development.

3) **Towards Decent Employment Through Structural Reform** – UNDP is also active at the policy level. It produced a study *Towards Decent Employment through Structural Reform* that looks into the main imbalances and barriers to productive employment as well as specific vulnerabilities faced by women and youth.

For more information on the abovementioned projects, visit [www.az.un Dund.org](http://www.az.un Dund.org)

*Timeframe of projects contributing to Outcome 1:*

The results of the two projects should be evaluated since the very beginning which means January 2013 until present for Tourism Vocational School; from October until present for SCIBM and 2012 until present for the Employment Study.

*Timeframe of projects contributing to Outcome 2:*
The results of the three projects should be evaluated since the very beginning which means March 2011 until present for SYSLAB; August 2011 until present for Rural Women Project and 2012 until present for the Employment Study.

Geographical coverage of Outcome 1:

Tourism Vocational Schools works in Baku; pilot project component of the SCIBM project covers border area with Georgia. The evaluation should cover the geographical reach of the two projects.

Geographical coverage of Outcome 2:

SYSLAB works in Baku and Sumgayit; Rural Women project in Baku, Sabirabad and Neftchala. The evaluation should cover the geographical reach of the two projects.

Target groups and stakeholders for Outcome 1:

Target groups and stakeholders of UNDP’s interventions under this outcome vary depending on the planned results for each output. They include central authorities in charge of the tourism development, border management, local authorities in Baku and direct beneficiaries, international organizations and UN Agencies.

Target groups and stakeholders for Outcome 2:

Target groups and stakeholders of UNDP’s interventions under these three projects vary depending on the planned results for each output. They include central authorities in charge of the employment policies and women empowerment, local authorities in Baku, Sumgayit and Sabirabad, direct beneficiaries, international organizations and UN Agencies.

4. METHODOLOGY

Overall guidance on the evaluation methodology can be found in the UNDP Handbook on Planning, Monitoring and Evaluating for Development Results. The Outcome evaluation should include four categories of analysis:

- an assessment of progress towards the outcome
- an assessment of factors affecting the outcome
- an assessment of key UNDP contributions to outcome
- an assessment of the partnership strategy used

During the outcome evaluation the consultant is expected to apply dual approach collecting both quantitative and qualitative data.

The data collection methods should include but not limited to:

- desk reviews of relevant documents
- interviews with key stakeholders and target groups
• focus group discussions
• direct observations during the visits to project sites
• administration of surveys/questionnaires, if applicable

As indicated in the Country Programme, the achievement of the outcome 1 will be measured through the following indicators:

**Indicator 1.1:** Amount of foreign direct investments in non-oil sector  
**Indicator 1.2:** Annual percentage increase in non-oil gross domestic product  
**Indicator 1.3:** Volume of non-oil sector exports

The achievement of the outcome 2 will be measured through the following indicators:

**Indicator 2.1:** Labour force participation rate by urban/rural/sex  
**Indicator 2.2:** Employment rate by urban/rural/sex

However, it is recognized that these indicators may not be the most appropriate indication to measure the progress or the achievement of the outcome as the non-oil export, labour force participation and employment rate are affected by the factors that are well beyond the ambition of the UNDP Country Programme. The evaluation consultant is expected to design the additional indicators that can better suit the evaluation purpose.

5. **EVALUATION CRITERIA AND QUESTIONS**

The evaluation will be conducted against the following set of criteria and should respond to the following set of questions that may be adjusted as need be:

5.1 **Relevance**
- To what extent do the intended outcome and the relevant outputs address national priorities?
- Have UNDP interventions been relevant to women and other vulnerable groups?
- What are potential areas of engagement for UNDP’s next Country Programme in relation to sustainable growth that generates decent and productive employment?

5.2 **Effectiveness**
- To what extent the planned outcome has been or is being achieved?
- How have the corresponding results at the output level delivered by UNDP affected the outcome, and in what ways have they not been effective?
- What are the challenges to achieving the outcome?
- Has UNDP best utilized its comparative advantage in defining and delivering these planned outputs?
- What are the key gaps that UNDP interventions could address within its comparative advantage that would significantly contribute to the achievement of the outcome?
- Has UNDP's partnership strategy been appropriate and effective in contributing to the outcome?
- To what extent did the results, both at the outcome and output levels, benefit men and women equally?
- Is the current set of indicators effective in informing the progress made towards the outcome? If not, what indicators should be used?

5.3 Efficiency
- Has there been any duplication of efforts among UNDP's interventions and interventions delivered by other organizations contributing to the outcome?

5.4 Sustainability
- How strong is the level of ownership of the results by the relevant government entities and other stakeholders?
- What is the level of capacity and commitment of the Government to ensure sustainability of the results?
- What could be done to strengthen sustainability?

6. EVALUATION PRODUCTS
The evaluation consultant is expected to produce the following deliverables:
- Draft evaluation report for Outcome 1 for initial feedback from UNDP
- Final evaluation report for Outcome 1
- Draft evaluation report for Outcome 2 for initial feedback from UNDP
- Final evaluation report for Outcome 2

The reports should include the following contents:
- Executive Summary
- Introduction
- Description of the intervention
- Evaluation purpose, objective, and scope
- Evaluation methodology
- Evaluation findings (forward-looking and actionable)

7. RESPONSIBILITIES AND COMPETENCY REQUIREMENTS
The evaluation consultant will perform the following tasks:
- Undertake desktop review
- Prepare the evaluation methodology
- Undertake meetings, field visits, observation and other evaluation activities
- Conduct analyses of the outcomes, outputs and partnership strategies for the two outcomes
- Draft evaluation reports
- Finalize the evaluation report based on the feedback from UNDP

The evaluation consultant is expected to meet the following qualification and competency requirements:
- Advanced university degree in relevant disciplines (e.g. economics, development planning, poverty reduction)
- At least 10 years of international working experience in the field of economic development, sustainable livelihoods and/or poverty reduction
- At least five years of experience in programme evaluation and proven accomplishments in undertaking evaluations for international organizations, preferably including UNDP
- Good knowledge of Azerbaijan’s political and economic context, including prior working experience in the country, will be an asset
- Excellent analytical and strategic thinking skills
- Good inter-personal and communication skills
- Excellent written and spoken English and presentation capabilities
- Ability to meet deadlines
- Working knowledge of Azerbaijani or Russian an asset, but not a requirement

8. EVALUATION ETHICS

Evaluation in the UN will be conducted in accordance with the principles outlined in both Norms and Standards for Evaluation in the UN System by the United Nations Evaluation Group (UNEG) and by the UNEG ‘Ethical Guidelines for Evaluation’. The evaluation consultant is required to read the Norms and Standards and the guidelines and ensure strict evidence to it, including establishing protocols to safeguard confidentiality of information obtained during evaluation.

9. IMPLEMENTATION ARRANGEMENTS

The evaluation is commissioned by UNDP Azerbaijan. The Country Office will provide with any logistics and administrative support as needed. The evaluation consultant will work under the direct supervision of the Deputy Resident Representative and Assistant Resident Representative and in collaboration with the entire Programme Unit. The Programme Unit will provide assistance in facilitating field trips, organizing meetings, providing access to information.

10. TERMS OF PAYMENT

The evaluation consultant will receive its consultancy fees upon certification of the completed tasks satisfactorily, as per the following schedule:
<table>
<thead>
<tr>
<th>Instalments of payment</th>
<th>Tasks to be completed</th>
<th>Payment to be made</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&lt;sup&gt;st&lt;/sup&gt; Instalment</td>
<td>Advance payment</td>
<td>20%</td>
</tr>
<tr>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Instalment</td>
<td>Upon submission of the draft reports</td>
<td>40%</td>
</tr>
<tr>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Instalment</td>
<td>Upon submission of the final reports</td>
<td>40%</td>
</tr>
</tbody>
</table>

11. TIME-FRAME FOR THE EVALUATION PROCESS

The evaluation is to be conducted in November - December 2014 based on the following milestones:

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop review</td>
<td>One week from the signing of the contract</td>
</tr>
<tr>
<td>Mission to Baku</td>
<td>One week from completion of desktop review</td>
</tr>
<tr>
<td>Submission of the draft reports</td>
<td>Three weeks from completion of the mission</td>
</tr>
<tr>
<td>Submission of the final reports</td>
<td>Three weeks from receipt of feedback from UNDP Azerbaijan</td>
</tr>
</tbody>
</table>
Annex 3. Project performance scoring rubric

The evaluation team's assessment of project performance in relation to the four evaluation criteria (relevance, effectiveness, efficiency, and sustainability) was based on the available evidence for each of the indicators for the evaluation questions.

To summarize the resulting overall assessment, the Evaluation expert used the following scoring rubric.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Performance description</th>
<th>Application using evaluation question indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent (Always)</td>
<td>Performance is clearly very strong or exemplary in relation to the evaluation question/domain. No gaps or weaknesses were identified.</td>
<td>Measures for all indicators relating to the respective evaluation question and sub-questions are &quot;yes/positive&quot;.</td>
</tr>
<tr>
<td>Very good (Almost always)</td>
<td>Overall strong, but not exemplary performance on virtually all aspects of the evaluation question/domain. Weaknesses are not significant and are managed effectively.</td>
<td>Measures for most indicators relating to the respective evaluation question and sub-questions are &quot;yes/positive&quot; and no indicator is rated as 'no/negative'.</td>
</tr>
<tr>
<td>Good (Mostly, with some exceptions)</td>
<td>Performance is reasonably strong on most aspects of the evaluation question/domain. No significant gaps or weaknesses, and less significant gaps or weaknesses are mostly managed effectively.</td>
<td>At least one indicator is measured as 'yes/positive'; and most indicators are rated as either 'yes/positive' or 'mixed'. Not more than one indicator per evaluation question is rated 'no/negative'.</td>
</tr>
<tr>
<td>Adequate (Sometimes, with many exceptions)</td>
<td>Performance is inconsistent in relation to the question. There are some serious but non-fatal gaps/weaknesses. Meets minimum expectations/requirements as far as can be determined.</td>
<td>Measures for most indicators relating to the respective evaluation question and sub-questions are 'mixed', and no indicator is measured with a clear 'yes/positive'.</td>
</tr>
<tr>
<td>Poor (Never or occasionally with clear weaknesses evident)</td>
<td>Performance is unacceptably weak in relation to the evaluation question/domain. Serious and widespread weaknesses on crucial aspects. Does not meet minimum expectations/requirements.</td>
<td>Measures for most indicators relating to the respective evaluation question and sub-questions are 'no/negative'.</td>
</tr>
<tr>
<td>Insufficient evidence</td>
<td>Evidence unavailable or of insufficient quality to determine performance.</td>
<td>NA</td>
</tr>
</tbody>
</table>
