

ASIAN DEVELOPMENT BANK

TAR: AZE 36514

TECHNICAL ASSISTANCE

TO THE

REPUBLIC OF AZERBAIJAN

FOR

CAPACITY BUILDING

FOR

MEDIUM-TERM POVERTY REDUCTION STRATEGY IMPLEMENTATION

March 2003

CURRENCY EQUIVALENTS

(as of 15 February 2003)

| | | |
|---------------|---|------------------------|
| Currency Unit | – | Azerbaijan Manat (AZM) |
| AZM1.00 | = | \$0.0002042 |
| \$1.00 | = | AZM4,895.00 |

ABBREVIATIONS

| | | |
|--------|---|--|
| ADB | – | Asian Development Bank |
| GDP | – | gross domestic product |
| MOED | – | Ministry of Economic Development |
| NPPR | – | National Program for Poverty Reduction |
| PMU | – | poverty monitoring unit |
| SPPRED | – | State Programme for Poverty Reduction and Economic Development |
| TA | – | technical assistance |
| UNDP | – | United Nations Development Programme |
| WB | – | World Bank |

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. In June 2001, the Asian Development Bank (ADB) approved technical assistance (TA) for capacity building to the State Committee for Statistics for improving the collection and analysis of poverty data in Azerbaijan.¹ In December 2001 ADB provided a second TA, for preparation of a national poverty reduction strategy.² The national strategy was subsequently prepared by the Government's National Program for Poverty Reduction (NPPR) Secretariat and endorsed at the National Poverty Reduction Conference held in Baku, Azerbaijan, on 25 October 2002. Prior to this conference, in May 2002, the Government of Azerbaijan requested ADB to consider a new TA that will support the Government's NPPR Secretariat in implementing the new strategy.³ The scope, technical requirements, and implementation arrangements of the TA were discussed and agreed with various stakeholders in Azerbaijan before and during the National Poverty Reduction Conference in October 2002. The TA framework is in Appendix 1.

II. ISSUES

2. Azerbaijan had a relatively diverse economy during Soviet times, with oil, oil equipment, agriculture, manufacturing, and textiles as some of the main sectors. The domestic economy was characterized by high unemployment and a relatively low standard of living. Economic development suffered a serious setback during 1991–1996 due to political turmoil, a military conflict with Armenia over Nagorno-Karabakh, and severe economic dislocation associated with the breakup of the Soviet Union. As a consequence, real output and income fell dramatically, inflation was rampant, government financial resources shrank sharply, and the poverty level worsened significantly. Following the return of political stability in 1993 and the Government's economic stabilization program in 1995, initial structural reforms began in 1996, and the overall economic decline was quickly arrested. The economy has grown since then at a relatively robust rate of 8.5% per year during 1996–2001. Real gross domestic product (GDP) grew by an impressive 9.9% in 2001, and the year-on-year growth rate was 8.3% during the first half of 2002. This recent economic growth has been almost entirely driven by the resumption of production in the oil and oil-related sectors.

3. The main challenge for the Government in the new millennium is how to consolidate and build from these gains, while addressing the serious poverty situation in the country. According to latest data from the 2001 household survey, the poverty head count was 49% in 2001. In addition, the new data indicate that an estimated 17% of Azerbaijanis lived in extreme poverty in 2001. The findings of the survey have been used to build up a poverty profile for Azerbaijan, which indicates that (i) the poverty head count appears to have improved somewhat since the last income survey in 1995, but direct comparison is not possible due to differences in the methodology used; (ii) individuals in urban households have a higher risk of being poor than those in rural households; (iii) gender does not appear to be a significant factor, with males and females having an almost equal probability of being poor; and (iv) households headed by a person with internally displaced or refugee status have a significantly higher risk of poverty than other households.

¹ ADB. 2001. *Technical Assistance to Azerbaijan for Capacity Building for Poverty Data Analysis*, Manila. TA 3664 for \$150,000.

² ADB. 2001. *Technical Assistance to Azerbaijan for Preparation of the Medium-Term National Poverty Reduction Strategy*, Manila. TA 3788 for \$150,000.

³ The TA first appeared in *ADB Business Opportunities*, Internet Edition, on 21 November 2002.

4. Despite good economic progress and decreased poverty in recent years, the quality of life appears to be deteriorating in Azerbaijan. Although, Azerbaijan's human development index improved marginally from 0.738 in 1999 to 0.741 in 2000,⁴ social indicators have not improved significantly in recent years. The main reason for the lack of improvement is the continuing decline in the budget for social services, in particular for health care and education, compared to the levels existing during the Soviet period. For instance, the Government budget for health care represented only 1.0% of GDP in 1999, compared to 1.5% in 1996 and 2.6% in 1990. Likewise, state education expenditure in 1999 was 3.4% of GDP, a decline from 6.9% in 1990. Better quality public services and efficient allocation of budgets are needed to sustain the achievements in the past and improve human capital development in the country.

5. To address the poverty and quality of life situation in the country, the Government formally launched the National Program for Poverty Reduction (NPPR) in June 2001. An NPPR secretariat was established to guide the process of preparing the NPPR and 15 sector working groups were formed to prepare the sector inputs for the NPPR. The final NPPR⁵ was prepared on the basis of these inputs and unveiled at the National Poverty Reduction Conference held in Baku, Azerbaijan, on 25 October 2002. The NPPR was formally approved by a Presidential Decree on 20 February 2003. The NPPR covers a 3-year implementation period (until the end of 2005) and presents a comprehensive set of policy measures to tackle poverty in the country. ADB assisted the Government in preparing the final document, through the NPPR secretariat and five of the sector working groups, as well as financing of a national workshop and the conference.⁶ Overall, despite difficulties in securing the inputs in some sectors, a significant amount of capacity has been built during the preparation phase, particularly in areas such as poverty monitoring and public participation. Just as importantly, the Government has demonstrated a reassuringly strong commitment to the poverty reduction strategy process.

6. The Government has been preparing for the implementation phase of the NPPR. For this phase, a new secretariat, the State Programme for Poverty Reduction and Economic Development (SPPRED) Secretariat, was created in January 2003. The new secretariat, within the Ministry of Economic Development (MOED), has been strengthened to have overall responsibility for coordinating and monitoring the NPPR implementation process. This secretariat will be responsible for: (i) coordinating the NPPR policy measures among various government agencies, and coordination of externally funded activities in support of the implementation of the NPPR; (ii) monitoring the implementation of the NPPR policy measures; (iii) overseeing the work of the poverty monitoring unit, which will be incorporated in the SPPRED secretariat; (iv) continuing the participatory process initiated in the preparation phase of the NPPR to build greater stakeholder awareness; and (v) ensuring a close link between NPPR policy measures and macroeconomic policies.

7. To fulfill the above roles, the SPPRED secretariat will require considerable capacity building in poverty monitoring, sectoral policy development, human capital development, resettlement of internally displaced persons and refugees, macroeconomic, the financial sector, decentralization and municipal development, social protection, and participatory approaches. In terms of staffing requirements, the Government estimates that seven international long-to-

⁴ United Nations Development Programme. 2001. *National Human Development Report on Azerbaijan*. Baku, Azerbaijan.

⁵ Republic of Azerbaijan. 2002. *State Programme on Poverty Reduction and Economic Development 2003-2005*. Baku, Azerbaijan.

⁶ The sector working groups which ADB supported were those for refugees and internally displaced person, rural development, poverty monitoring, regional development, and fiscal policy.

medium-term experts, a series of short-term experts, eight local experts, and five local support staff, will be required during the implementation period.

8. The TA is being proposed to help the Government implement its medium-term poverty reduction strategy through capacity building of the new SPPRED secretariat. ADB has closely coordinated with other funding agencies that are likely to be involved in the implementation phase to ensure all the assistances are complementary. A joint aide memoire was signed by ADB, the World Bank (WB), and the United Nations Development Programme (UNDP) in October 2002 and set out a coherent operational framework and financing plan for the implementation phase of the NPPR.

9. In parallel with the proposed assistance for the implementation of the SPPRED, ADB is initiating its poverty reduction partnership process in Azerbaijan. A poverty reduction partnership agreement is scheduled for finalization in the second half of 2003. The proposed TA will assist in this effort through inputs by the international expert and building government capacity for subsequent poverty reduction partnership agreement implementation and monitoring.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

10. The long-term goal of the TA is to reduce poverty in Azerbaijan through the implementation of a comprehensive medium-term poverty reduction strategy. The purpose of the TA is to support the Government in implementing this medium-term strategy, ensuring broad-based participation of the major stakeholders in the strategy implementation process.

B. Methodology and Key Activities

11. The goal and purpose of the TA will be pursued by:

- (i) assistance to develop a well-functioning SPPRED secretariat capable of fulfilling its functions, including monitoring of the implementation of the NPPR policy measures;
- (ii) provision of cross-cutting support in areas such as assistance to refugees and internally displaced persons, trade and poverty, social development and poverty, environment and poverty, and macroeconomic issues;
- (iii) support for a training program to enhance the skills of the SPPRED secretariat staff, particularly in pro-poor budgeting, standard poverty analysis techniques, and other areas identified in the training needs assessment; and
- (iv) support to the participatory process through assistance for organizing regional seminars and meetings to further the dialogue between policy makers and civil society and build stakeholders' awareness of the importance of implementing the NPPR.

12. Specific policy areas to be addressed may include in-depth studies on poverty-related issues related to agriculture and rural development, social sectors, and internally displaced persons. The TA outputs will be disseminated through publication of annual and quarterly reviews and meetings and seminars.

C. Cost and Financing

13. The estimated TA cost is \$815,000 equivalent, of which \$578,000 is the foreign exchange cost and \$237,000 equivalent is the local currency cost. The Government has requested ADB to finance \$650,000 equivalent, covering the entire foreign exchange cost of \$578,000 and \$72,000 equivalent of local currency cost. The TA will be financed on a grant basis by ADB's TA funding program. The Government will finance the balance of the local currency cost equivalent of \$165,000 by providing office space, staff support, and other in-kind contributions. Detailed cost estimates are in Appendix 2.

D. Implementation Arrangements

14. The MOED will be the Executing Agency for the TA. The Implementing Agency will be the SPPRED secretariat, under MOED, which is responsible for the day-to-day implementation of the TA. To guide the work of the SPPRED secretariat, the Government will establish an advisory board. The advisory board will be chaired by the minister of economic development, and will comprise members from Government, funding agencies, and civil society. Given ADB's past assistance to poverty reduction in Azerbaijan, the Government is very likely to offer ADB a permanent seat on the advisory board. In January 2003, the Government issued a resolution creating the SPPRED Secretariat. Shortly after the commencement of activities of the SPPRED Secretariat in the first quarter of 2003, the Government will appoint the advisory board. The TA is expected to be completed by 30 June 2005.

15. In continuation of the NPPR secretariat's role, the new SPPRED secretariat has taken the lead in coordinating external assistance in the NPPR implementation process. The main funding agencies (UNDP, WB, and ADB) have agreed to coordinate their activities in the implementation of the SPPRED. Specifically, UNDP's assistance will focus on supporting the poverty monitoring unit attached to the SPPRED secretariat. WB, through the Swiss Trust Fund, will finance short-term experts and fund two conferences and a number of workshops. ADB staff will continue to liaise with WB, UNDP, and other major fund agencies, to ensure close coordination.

16. Consulting services for 66 person-months are required (18 for international and 48 for domestic consultants) in the areas of poverty reduction strategy implementation, agriculture and rural development, and human capital development. The consultants will be engaged on an individual basis in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. The consultants will follow ADB's *Guidelines for Procurement* when procuring equipment. The international consultant is expected to work fulltime during the first year of TA implementation and intermittently during the second year. The two domestic consultants will work fulltime during the implementation period. The outline terms of reference are in Appendix 3.

17. As the team leader, the international consultant will be responsible for regular reporting of TA activities during the implementation period, as follows. First, the international consultant will submit an inception report within 2 weeks of commencement of assignment and will provide progress reports on a quarterly basis to MOED, the SPPRED Secretariat, and ADB. Second, the international consultant will submit two interim reports to coincide with the work to be accomplished for the annual review of implementation of the NPPR at the end of each calendar year. Third, the international consultant will submit special reports in advance of periodic tripartite assessments or following completion of key activities, as needed. These reports will

form the basis for ADB review missions to engage the Government on issues affecting TA implementation. Finally, the international consultant will consolidate the final reports of all the consultants and submit this to the Government and ADB upon completion of the TA. This report will include the accomplishments of the TA and assessment of the results achieved in meeting the TA objectives. Detailed information on reporting requirements is provided in Appendix 3.

IV. THE PRESIDENT'S DECISION

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$650,000 on a grant basis to the Government of Azerbaijan for Capacity Building for Medium-Term Poverty Reduction Strategy Implementation, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

| Design Summary | Performance Indicators/Targets | Monitoring Mechanisms | Assumptions and Risks |
|--|---|--|--|
| Goal Poverty reduction in Azerbaijan | Reduction of poverty incidence by 2010 Improvement in non-income poverty performance by 2010 Improvement in delivery of social protection measures to targeted vulnerable and socially excluded groups | National household surveys Regional surveys | |
| Purpose Support the Government in the implementation of its medium-term poverty reduction strategy | Formulation and passage of decrees, resolutions, and/or other legislation that pertain to improving living standards and the implementation phase | Periodic tripartite assessment by representatives from the Government, Asian Development Bank, and stakeholders Technical completion report | Continued strong political commitment for the implementation of the national poverty reduction strategy |
| Outputs 1. General support and training to State Programme for Poverty Reduction and Economic Development (SPPRED) secretariat | Supervise work of poverty monitoring unit Collate latest poverty estimates provided by State Statistics Committee (SSC) and other sources and review suitability of poverty lines Help identify the key monitoring indicators Judge performance against the indicators | Annual Bulletin Reports to advisory board Quarterly progress reports Interim and special reports | Strong coordination among Government agencies, stakeholders, and international aid agencies Ability of SPPRED secretariat to impartially monitor indicators |

| Design Summary | Performance Indicators/Targets | Monitoring Mechanisms | Assumptions and Risks |
|--|--|---|---|
| <p>2. Cross-Sector Support</p> <p>3. Support to participatory process</p> <p>4. Training and capacity building</p> | <p>Provide cross-cutting support in areas such as assistance to refugees and internally displaced persons, trade, social development, environment, and macroeconomic issues</p> <p>Help revise the policy measures for the above cross-cutting areas</p> <p>Supervise preparation of revised participatory action plan</p> <p>Conduct work on regional dimensions of poverty</p> <p>Prepare detailed training needs assessment</p> <p>Implement training program</p> | <p>Annual bulletin</p> <p>Quarterly progress reports</p> <p>Interim and special reports</p> <p>Quarterly progress reports</p> <p>Special reports</p> <p>Quarterly progress reports</p> <p>Special reports</p> | <p>Strong coordination among Government agencies, stakeholders, and international aid agencies</p> <p>Strong cooperation of SSC, regional governments, stakeholders, and the United Nations Development Programme</p> |
| <p>Activities</p> <p>1. General support and training to SPPRED secretariat</p> | | | <p>Timely appointment of head of Secretariat</p> <p>Timely appointment of the advisory board to oversee the SPPRED secretariat's work</p> <p>SPPRED secretariat is accorded power to fulfill its mandate.</p> |

| Design Summary | Performance Indicators/Targets | Monitoring Mechanisms | Assumptions and Risks |
|---|---|---|---|
| <p>a. Supervise work of poverty monitoring unit</p> <p>b. Collate latest poverty estimates provided by SSC and other sources and review suitability of poverty lines</p> <p>c. Help identify the key monitoring indicators</p> <p>d. Judge performance against the indicators</p> | <p>Start: Apr 2003 Complete: Feb 2005</p> <p>Start: Apr 2003 Complete: Aug 2003</p> <p>Start: Apr 2003 Complete: Aug 2003</p> <p>Start: Aug 2003 Complete: Dec 2003</p> | <p>Annual bulletin</p> <p>Reports to advisory board</p> <p>Quarterly progress reports</p> <p>Special reports</p> <p>Quarterly progress reports</p> <p>Special reports</p> <p>Annual bulletin</p> <p>Interim reports</p> | |
| <p>2. Cross-Sector Support</p> <p>a. Provide cross-cutting support in areas such as assistance to refugees and internally displaced persons, trade, social development, environment, and macroeconomic issues</p> | <p>Start: Apr 2003 Complete: Feb 2005</p> | <p>Quarterly progress reports</p> <p>Special reports</p> | <p>Receptiveness of Government to recommendations</p> |
| <p>b. Help revise the policy measures for the cross-cutting sectors</p> | <p>Start: Aug 2003 Complete: Dec 2003</p> | <p>Annual bulletin</p> <p>Interim report</p> | |

| Design Summary | Performance Indicators/Targets | Monitoring Mechanisms | Assumptions and Risks |
|---|---|---|--|
| <p>3. Support to participatory process</p> <p>a. Supervise preparation of revised participatory action plan</p> <p>b. Conduct work on regional dimensions of poverty</p> <p>c. Conduct of workshops, seminars, consultations and other participatory meetings with stakeholders at sector and regional levels</p> | <p>Start: Apr 2003 and final draft: May 2003</p> <p>Start: May 2003 Final draft: Aug 2003</p> <p>Start: May 2003 Complete: Dec 2003 (Depending on results of revised participatory action plan)</p> | <p>Quarterly progress reports</p> <p>Quarterly progress reports</p> <p>Quarterly progress reports Special reports</p> | <p>Government commitment to participatory process</p> <p>Involvement of non-government organizations, private sector, and civil society in the participatory process</p> |
| <p>4. Training and capacity building</p> <p>a. Prepare detailed training needs assessment</p> <p>b. Implement training program</p> | <p>Start: Apr 2003 Final draft: May 2003</p> <p>Start: May 2003 Complete: Dec 2003 (Depending on results of training needs assessment)</p> | <p>Quarterly progress report Special reports</p> <p>Quarterly progress report</p> | <p>Receptiveness of SPPRED Secretariat and line ministry staff to training</p> |

| Design Summary | Performance Indicators/Targets | Monitoring Mechanisms | Assumptions and Risks |
|--|---|---------------------------------------|--|
| Inputs Consulting Services: 18 person-months of international and 48 person-months of domestic. | ADB will finance \$650,000 and the Government will provide \$165,000. | Periodic review meetings and reports. | Consultants will deliver quality inputs on time. |

COST ESTIMATES AND FINANCING PLAN
(\$'000)

| Item | Foreign Exchange | Local Currency | Total Cost |
|--|-----------------------------|---------------------------|-----------------------|
| A. Asian Development Bank Financing^a | | | |
| 1. Consultants | | | |
| a. Remuneration and Per Diem | | | |
| i. International Consultants | 391 | | 391 |
| ii. Domestic Consultants | | 48 | 48 |
| b. International Travel | 20 | | 20 |
| 2. Equipment ^b | 30 | | 30 |
| 3. Training, Seminars, and Conferences | 54 | | 54 |
| 4. Miscellaneous Administration and Support Costs ^c | 9 | | 9 |
| 5. Contingencies | 74 | 24 | 98 |
| Subtotal (A) | 578 | 72 | 650 |
| B. Government Financing | | | |
| 1. Remuneration and Per Diem of Counterpart Staff | | 123 | 123 |
| 2. Office Accommodation | | 32 | 32 |
| 3. Contingencies | | 10 | 10 |
| Subtotal (B) | | 165 | 165 |
| Total | 578 | 237 | 815 |

^a Financed on a grant basis by the Asian Development Bank's technical assistance funding program.

^b This includes 3 desktop computers with required software (including for hosting the web site program), 2 printer, accessories, 3 modem, 2 fax machines and 1 photocopy machine. The equipment will be procured by the consultants and transferred to the Executing Agency at the conclusion of the technical assistance.

^c This includes expenses like translation costs, printing of documents, etc.

Source: Asian Development Bank estimates

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Background

1. The technical assistance (TA) will support the Government's effort to implement the medium-term poverty reduction strategy. This will be achieved by hiring individual international and domestic consultants, selected in accordance with the Asian Development Bank's (ADB) *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants.

B. Consultants' Terms of Reference

2. The TA will need a total of 66 person-months of consulting services: 18 for international and 48 for domestic consultants. The consultants will be hired based on the positions and technical skills required as described in the following paragraphs. The primary tasks will be to provide the State Programme for Poverty Reduction and Economic Development (SPPRED) secretariat with (i) advisory services, (ii) assessment and analysis of key poverty monitoring indicators, (iii) hands-on training and capacity-building, and (iv) assistance for cross-sector support in the areas of refugees and internally displaced persons, trade and poverty, social development and poverty, environment and poverty, and macroeconomic issues.

1. **Poverty Reduction Specialist and Team Leader** (1 international consultant for 18 person-months)

3. The international consultant, who will serve as the team leader, should be an economist and/or development economist with expertise in formulating and implementing poverty reduction strategies and programs. The consultant should also have (i) technical and professional background in formulating and monitoring poverty indicators, and (ii) extensive country knowledge in transition economies. The specific tasks are to assist the SPPRED secretariat as follows:

- (i) Recommend how to structure and extend the participatory process in the implementation phase, and draft a revised participatory action plan for the implementation period based on the original plan prepared in October 2001 with United Nations Development Programme support.
- (ii) With the head of the SPPRED secretariat, organize and supervise the team of part-time local experts working on the participatory process, and organize the conducting of qualitative research on regional dimension in line with the revised participatory action plan (item [i]);
- (iii) Assist the head of SPPRED secretariat to undertake a detailed training needs assessment. Based on the outcome of this assessment, assist the training coordinator to implement the training program.
- (iv) Liaise with the sectoral experts in the SPPRED secretariat in identifying the key monitoring indicators in their relevant sectors, identifying shortcomings in the definitions or data availability. Recommend how to improve poverty monitoring indicators.

- (v) Liaise with the Macroeconomic Policy Group in the Ministry of Finance on ensuring compatibility between the annual budget, the medium-term expenditure framework attached to the National Program for Poverty Reduction (NPPR), and the draft public investment program. Identify and document any incompatibilities, and give written recommendations on actions to rectify these.
- (vi) Coordinate with the ADB consultant engaged to undertake a governance assessment for Azerbaijan in 2004. Based on an in-depth analysis of the linkages between poverty and governance, recommend concrete actions and incorporate the measures into the revised participatory action plan.
- (vii) With the head of the SPPRED secretariat, supervise the work of the poverty monitoring unit (PMU), ensuring that the PMU establishes close links with the State Committee for Statistics and the line Ministries, in particular the Ministry of Labour and Social Protection, the Ministry of Health, and the Ministry of Education. Ensure that the PMU publishes an annual bulletin incorporating all the poverty indicators that can be derived from existing data sources.
- (viii) Ensure that poverty estimates are updated annually, that the suitability of the poverty lines and welfare indicators are reviewed, and that local experts are trained in standard poverty analysis techniques. Organize training courses for local experts in the SPPRED secretariat and line ministries.
- (ix) Coordinate with representatives of external funding organizations (in particular those represented on the advisory board) on progress in implementing the NPPR. Provide quarterly reports to the advisory board to ensure that the agencies are informed of progress in implementation of the NPPR.
- (x) Supervise the work of the domestic experts employed in this TA, and those engaged by other agencies. Ensure that there is no overlap or duplication of functions, and that dialogue takes place between the various sector experts.
- (xi) With the head of the SPPRED secretariat, be responsible for preparing and publishing an annual review of progress in implementing the NPPR, including a summary of achievements using appropriate monitoring indicators, and suggestions for modifying the policy matrix and monitoring indicators.
- (xii) Evaluate the extent to which the achievements under the NPPR have contributed to the fulfillment of the Millennium Development Goals. Develop specific poverty reduction targets linked to the Millennium Development Goals for inclusion in the annual review of progress in implementing the NPPR.
- (xiii) Support the preparation of the poverty partnership agreement between the Government and ADB.

2. Rural Development Expert (1 domestic consultant for 24 person-months)

4. The domestic consultant will be an agriculture economist with a background in rural development and environment. The consultant will undertake the following tasks:

- (i) Serve as the focal point within the SPPRED secretariat for coordination with government agencies involved in agriculture and rural development and environmental matters, including the Ministry of Agriculture, the State Amelioration and Irrigation Committee, and the Ministry of Environment.
 - (ii) Work closely with those agencies to document progress in implementing the policy measures outlined in the NPPR policy matrix for agriculture and rural development and environment sectors. Also, liaise with the European Union Food Security Office based in the Ministry of Agriculture.
 - (iii) Provide input to the team leader for the training needs assessment. Help the training coordinator implement the training programs.
 - (iv) Advise on monitoring indicators to improve the ability of the SPPRED secretariat to monitor implementation progress.
 - (v) Coordinate with the staff of the Macroeconomic Policy Group and the international expert on macroeconomic issues to ensure compatibility of the public investment program with the NPPR rural development goals.
 - (vi) Conduct in-house research and policy formulation in cross-cutting areas, such as agriculture, trade and poverty, and environment and poverty, on a special basis.
 - (vii) Help the SPPRED secretariat draft the annual review of progress in implementation of the NPPR.
3. **Human Capital Development Expert** (1 domestic consultant for 24 person-months)

5. The domestic consultant will be a social sector economist with background in sociology or development economics. The consultant will have experience with the policies related to education, health, social protection, employment, gender issues, and refugees and internally displaced persons. The consultant will undertake the following tasks:

- (i) Serve as the focal point within the SPPRED secretariat for coordination with government agencies involved in human capital development, including the Ministry of Education, Ministry of Health, Ministry of Labor and Social Protection, and State Committee for Refugees and Internally Displaced Persons, and State Committee for Women's Issues.
- (ii) Work closely with those agencies to document progress in implementing the policy measures outlined in the NPPR policy matrix for the sectors in para. 5 above.
- (iii) Provide input to the team leader for the training needs assessment. Assist the training coordinator to implement training programs.
- (iv) Advise on monitoring indicators to improve the ability of the SPPRED secretariat to monitor implementation progress.

- (v) Work with the PMU attached to the SPPRED secretariat make maximum use of available data and information sources to evaluate policies in these sectors, and design new ones.
- (vi) Coordinate with the staff of the Macroeconomic Policy Group and the domestic expert on budgeting and costing issues to ensure compatibility of the annual budget and the medium-term expenditure framework with the policy aims of the relevant sectors.
- (vii) Work with the domestic and international experts on macroeconomic issues to ensure compatibility of the public investment program with human development goals.
- (viii) Conduct in-house research and policy formulation in cross-cutting areas such as issues affecting refugees and internally displaced persons, and social development and poverty.
- (ix) Help the SPPRED secretariat draft the annual review of progress in implementation of the NPPR.

C. Reporting Requirement

6. The international consultant will be responsible for most of the regular reporting during the implementation period. The domestic consultants will provide their inputs directly to the international consultant, unless as otherwise stated. The following are the main reports to be submitted during the TA implementation:

- (i) **Inception Report:** To be submitted within 2 weeks of commencement of assignment, the report will include the latest SPPRED secretariat work plan, the consolidated work plan of all the consultants, and other information necessary for commencement of project activities.
- (ii) **Quarterly Progress Reports:** These reports will (a) detail the status of implementation of the participatory action plan and the training needs assessment, (b) review the progress in implementing the policy measures under the NPPR, (c) inform the results of participatory meetings held and the feedback received from these meetings, and (d) provide any other necessary information for informed decision-making.
- (iii) **Interim Reports:** The two interim reports will replace the quarterly reports at the end of each year and are intended to report on the work accomplished for the preparation of the annual review of implementation of the NPPR to be presented at the national conference in Baku scheduled for December of each year. These reports will inform readers of new and revised policy measures and indicate the performance of the key monitoring indicators over the course of the year.
- (iv) **Special Reports:** These reports will be submitted in advance of the periodic tripartite assessments or following completion of key activities and will be

aimed at providing information for ADB review missions to engage the Government on issues affecting TA implementation.

- (v) **Final Reports:** Each domestic consultant will prepare a separate draft final report describing the accomplishments in his or her area, and submit this to the ADB for comment 1 month prior to completion of the TA. The international consultant will consolidate the final reports of all the consultants and submit a consolidated final report to the Government and ADB upon completion of the TA. This consolidated final report will describe comprehensively the accomplishments of the TA and will assess the results achieved in meeting the objectives.