



Azərbaycan Respublikası
Əmək və Əhalinin Sosial Müdafiəsi Nazirliyi



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Project Title: Technical Assistance project: "Creating Inclusive and Decent Jobs for Socially Vulnerable Groups"

Executing Entity: Ministry of Labour and Social Protection of Population

Implementing Agency: UNDP

Project ID number: 00109290

Start Date: 1 January 2019

End Date: 1 January 2024

AC Meeting date: 6 March 2018

Brief Description

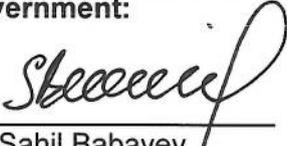
This 5-year project aims to enhance capacities for the unemployed job-seekers from the vulnerable sections of the population and create opportunities for their productive employment within the formal labour market. This objective shall be achieved by applying a two-pronged approach: i) strengthening the capacity of policymakers and practitioners to design and implement effective Active Labour Market Measures (ALMM)s, including through the introduction and use of innovative mechanisms for evidence-based monitoring and impact assessment of ALMMs and ii) streamlining procedures and building institutional capacities for effective targeting, outreach and support to end-beneficiaries from the vulnerable groups in their efforts to become employed.

During the first year, the project will pilot the self-employment for persons with disabilities measure, aiming to support 500 persons with disabilities to set up sustainable businesses. The project will be implemented at national and regional/local levels. In addition to strengthening the entrepreneurial skills of the participants, it will provide social and work-oriented rehabilitation, taking into account their specific challenges and barriers to accessing the labour market. The project shall also support inter-institutional collaboration to ensure holistic support to end-beneficiaries for their (re)integration into the labour market and social inclusion. Although a pilot measure, the self-employment of persons with disabilities will be implemented in all regions of the country and will aim to build up the institutional basis and -State Employment Service (SES) staff capacity for effective implementation of the nation-wide programme of active labour market measure. Follow-up and additional activities intended to support the Government's ALMM programme may be added to this project if requested by the Ministry Labour and Social Protection of Population (MLSPP). Number of target beneficiaries as well as the amount of financial allocation beyond 2019 will be defined by the MLSPP in the course of the project implementation.

The Project shall be implemented under national implementation modality. The MLSPP will be the responsible executing entity. UNDP will be acting as Responsible Party to provide technical assistance, capacity development and operational support in the project implementation related to procurement, recruitment, contracting and execution of direct payments to suppliers under the conditions regulated by the Letter of Agreement on Service Provision and Project Support between the Government and UNDP. The project Steering Committee will be headed by the Minister of Labour and Social Protection of Population and UNDP Resident Representative. The Government financial contribution to project in 2019 and beyond will be in national currency – AZN.

<p>UNAPP 2016-2020 Outcome 1.1.: By 2020, the Azerbaijan Economy is more diversified and generates enhanced sustainable growth and decent work, particularly for youth, women, persons with disabilities and other vulnerable groups</p> <p>2016 – 2020 CO Outcomes: National strategies, policies and capacities to address regional and gender disparities in decent work opportunities are strengthened, with a focus on increasing the ability of the vulnerable groups to manage and mitigate risks</p> <p>CPD Output 1.2. Managerial capacities of state agencies supporting small and medium-sized businesses are improved</p>	<p>Total resources required in 2019:</p>	<p>3,144,120.00 USD¹</p>	
		<p>5,339,660.00 AZN</p>	
		<p>UNDP:</p>	<p>200,000.00 USD</p>
			<p>339,660.00 AZN</p>
		<p>Government:</p>	<p>2,944,120.00 USD</p>
			<p>5,000,000.00 AZN</p>
<p>Total - 5% (GMS and direct project costs)</p>	<p>157,206.00 USD</p> <p>266,983.00 AZN</p>		

Agreed by (signatures)

<p>Government:</p>  <p>Mr. Sahil Babayev Minister of Labour and Social Protection of Population of the Republic of Azerbaijan</p>	<p>UNDP:</p>  <p>Mr. Alessandro Fracassetti UNDP Resident Representative a.i. in Azerbaijan</p> <p style="text-align: right;">19 DEC 2018</p>
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¹ UN Official exchange rate as of March 2018 = 1 USD/1,6983 AZN.

TABLE OF CONTENTS

List of Abbreviations	3
I. Development Challenge	4
II. Strategy	5
III. UNDP's Comparative Advantage	6
IV. Results and Partnerships	7
V. Project Management.	15
VI. Results Framework	16
VII. Monitoring and Evaluation	20
VIII. Annual Work Plan	23
IX. Governance Management Arrangements	30
X. Legal Context and Risk Management	33

LIST OF ABBRIVIATIONS

ALMMs	- Active Labour Market Measures
DPC SS	- Direct Project Cost for Support Service
EC	- Employment Centre
	- Europe and the Commonwealth of Independent States
ECIS	
GDP	- Gross Domestic Product
GMS	- General Management Support
HDI	- Human Development Index
ILO	- International Labour Organization
	- Integrated Management and Monitoring System
IMMS	
IRH	- UNDP's Istanbul Regional Hub
LGU	- Local Government Unit
	- Ministry of Labour and Social Protection of Population
MLSP	
NPD	- National Programme Director
NPC	- National Project Coordinator
OG	- Operational Guidelines
PM	- Project Manager
PMU	- Project Management Unit
PSC	- Project Steering Committee
PWD	- Persons with Disabilities
RRF	- Results and Resources Framework
SES	- State Employment Service
SOP	- Standard Operating Procedures
	- State Programme on Poverty Reduction and Economic Development
SPPRED	
UNICEF	- United Nations Children's Fund
UNDP	- United Nations Development Program
	- Vocational Rehabilitation Centre for Young People with Disabilities
VRC	
WB	- World Bank

I. Development Challenge

Azerbaijan is an Upper Middle Income country, with a per capita income of \$4,186.3 (2017). It has an estimated population of 9.9 million (2017), and is divided into 66 regions, 12 urban districts and the Nakhchivan Autonomous Republic.

Azerbaijan has seen impressive levels of economic growth over the last 10-15 years, with GDP growth averaging 12.9 percent from 2004-2013. While Azerbaijan's development accomplishments have been made possible by the oil boom, they also reflect a strong policy emphasis on social inclusion and sustainable development— particularly under the 2003-2005 State Programme on Poverty Reduction and Economic Development (approved by 20 February 2003 Decree No. 854 of the President of the Republic of Azerbaijan) and then the 2008-2015 State Programme on Poverty Reduction and Sustainable Development (approved by 15 September 2008 Decree No.854 of the President of the Republic of Azerbaijan).

The hallmark of Azerbaijan's social progress has been the sharp decline in poverty, reflected in the reduction of the national poverty rate from 40 percent in 2003 to 4.9 percent in 2015, the decrease of the Gini index from 0.42 in 2001 to 0.34 in 2008, and increase of HDI from 0.609 in 1995 to 0.759 in 2015. Major social welfare reforms, including of the pension system, the introduction of targeted social assistance and promotion of jobs creation have all played an important role in addressing the income and non-income dimensions of poverty. Hence, in many respects, Azerbaijan has invested in and achieved key aspects of inclusive growth.

The Government of Azerbaijan has made a clear commitment to translating the principles of sustainable development, as articulated in the "Transforming our world: the 2030 Agenda for Sustainable Development", into national policies and programming. It has set out a policy framework for doing so and is now engaged in its implementation.

The consultations held in connection with the SDG MAPS (i.e. "mainstreaming", "acceleration", and "policy support") mission recognized the importance of inclusive employment, income generation and real wage growth as key prerequisites for achieving a number of SDGs.

The MAPS mission pointed out that protection of labour rights and employment for all, both of which are clearly articulated in the "*Azerbaijan 2020: Look into the Future*" development concept (approved by 29 December 2012 Decree No. 800 of the President of the Republic of Azerbaijan), will not only contribute to the achievement of SDG targets 8.2 (economic productivity), 8.5 (global resource efficiency) and 8.6 (youth unemployment), but also to the achievement of SDGs 1 (on poverty elimination), SDG 5 (on gender equality), SDG 10 (on inequalities), and SDG 12 (on sustainable consumption and production).

In 2017, the Ministry of Labour and Social Protection of Population in partnership with ILO launched an ambitious self-employment programme, targeting 1,500 households. 6,000,000 AZN has been allocated for this purpose and so far, the programme has contributed to creation of 1,281 businesses, with 60 being established by PWD. Given the gravity of the challenge of achieving sustainable and productive employment of PWDs, the MLSPP have put in place a number of measures to increase the participation of PWD in the self-employment programme.

For example, a multidisciplinary support programme has been introduced by the SES, engaging a team of psychologists, educators, economists to help PWD and other vulnerable groups to better prepare for inclusion into the formal labour market.

The SES also provides occupational counseling support by a psychologist, with the aim of assessing the preparedness of PWDs to enter labour market and start his/her own business. The team of psychologists has designed a counseling programme which has been administered to 20 persons with

disabilities. The programme is being further refined and upgraded to reflect the needs of different age groups.

A quota system for employment of persons with disabilities has also been established in accordance with the Law of Republic of Azerbaijan on the Rights of Persons with Disabilities (No. 1153-VQ, dated 31 May 2018), which envisages a quota for the employment of PWDs regardless of the type of ownership and organization, and imposes penalties for non-compliance. Nonetheless, in practice there is low interest on the part of employers and the offers for job placement are in low qualified and low-paid positions. The limited range of low salaried jobs on offer further discourage PWDs from leaving the state guaranteed social welfare programmes, such as the programme for Targeted Social Assistance (TSA) or disability allowance. The pros and cons and the impact of the quota system require further and deeper analysis, both from the perspective of the end beneficiaries, and from that of employers, in order to better understand the various incentives and disincentives for participation on both sides.

II. STRATEGY

The project will contribute to addressing the national priorities identified in UNAPF Outcome 1.1: *'By 2020, the Azerbaijan Economy is more diversified and generates enhanced sustainable growth and decent work, particularly for youth, women, persons with disabilities and other vulnerable groups'*; and to CPD output 1.2 *'Managerial capacities of state agencies supporting small and medium-sized businesses are improved'*.

UNDP will focus on developing capacities and rolling out innovative approaches for better integration of the most vulnerable sections of the workforce into formal employment, including women and persons with disabilities. The Project will offer holistic support to the end-beneficiaries in order to strengthen their entrepreneurial capacities and provide them with the soft-skills required for successful start-ups and management of their own businesses.

The project will build on the existing resources and institutional partnerships developed through other UNDP projects aimed at supporting economic empowerment, skills development and business start-ups. It will also complement the work carried out by the MLSP and ILO under the 2017 self-employment programme. Extensive consultations with those institutions involved in the implementation of the 2017 self-employment programme, as well as feedback received from project end-beneficiaries, have both been taken into account in the design of this measure.

To the extent possible, the project shall draw on the training tools, guidelines and other resources, developed in partnership with ILO, in particular *'How to Start and Improve Your Business'*, as well as the implementation of procedures developed and put in place by MLSP and SES. The project will particularly focus on identifying the specific barriers that vulnerable groups experience in accessing and completing the self-employment programme. It will identify those related to individual characteristics, physical impairments and skill or knowledge gaps and respond with the development of additional training modules as well as improving and/or tailoring the techniques and tools used for coaching and mentoring of beneficiaries of the self-employment measure. These support services will increase the chances for individuals to access and successfully complete the programme, while also contributing to the sustainability and quality of the businesses established. The project will aim at designing and testing innovative and human-centred solutions, which are instrumental for the improvement of workability of PWDs.

Capacity building measures will be implemented throughout the programme, with a focus not just on the training and experience sharing among individuals, but also on institutional levels in terms of enhancing capacities of MLSP's and SES staff to design and further fine-tune the applied approaches, strengthen implementation structures, streamline processes and expand access to information. While the primary objective of the project is to improve access of the vulnerable population to active labour

market measures, the established criteria will encourage competitiveness, thus ensuring that the businesses and skills developed under the programme are sustainable, productive and inclusive.

In addition to strengthening the implementation capacities of the staff in the employment centres, the project will support the establishment of an integrated monitoring system in the relevant institutions for improving the transparency of processes and verifying results. This system will also create the evidence base needed for measuring and assessing the cost-effectiveness of the programme and monitoring the sustainability of businesses and jobs created. For this purpose, the project shall develop a set of monitoring tools to be used by the PMU, as well as the staff in the MLSPP and employment centres in their daily operations, which together with the findings from the cost effectiveness and impact assessments, will allow national partners to build a nation-wide system for the monitoring and evaluation of the self-employment programme and other ALMMs. During this phase, the project will also lay the foundation for the further development of web-based tools for real-time monitoring of progress in the implementation of the programme.

Project Objective

The overall objective of the project is to enhance the capacities and access to the formal labour market and productive employment for the unemployed job-seekers from the vulnerable sections of the population.

This objective will be achieved by applying a two-prong approach i.e.:

- I. strengthening the capacity of policy makers and practitioners to design and implement effective ALMMs, including through the introduction and use of innovative mechanisms for evidence-based monitoring of the results and impact of ALMMs and
- II. streamlining procedures and building institutional capacities for effective targeting, outreach and support to end-beneficiaries from the vulnerable groups in their efforts to become self-employed.

From a geographical perspective, the project has a countrywide scope, but will have a specific focus on economically disadvantaged and rural areas. The mechanisms and operational procedures, designed and piloted under this project, will provide a model for the effective delivery of other ALMMs, implemented by MLSPP, which target women or vulnerable categories of population.

The overall project objective will be achieved through the implementation of the following three outputs:

Output 1 - National and sub-national institutions have the necessary skills to effectively promote, implement and monitor ALMMs, using innovative solutions for monitoring and reporting

Output 2 - Vulnerable population, including persons with disability, receives tailored support for activation, social and work-oriented rehabilitation as well as mentoring for self-employment or employment into the formal labour market;

Output 3 - Active labour market measures, including the self-employment contribute to productive employment and creation of sustainable businesses by the unemployed job-seekers from vulnerable sections of the population.

III. UNDP Comparative Advantage

UNDP Azerbaijan has extensive experience in supporting the Government's efforts to promote economic diversification, through, for example, programmes to increase the professionalism of the labour force engaged in the tourism industry; the introduction of new tools and models for reducing women's

and youth unemployment; and business start-up programmes for women with disabilities and mine victims.

An independent evaluation of UNDP's country programme 2010-2015 has also acknowledged the positive results of UNDP's earlier interventions and recommended the 2016-2020 country programme to continue along the same lines, in particular on addressing regional and gender-based disparities in accessing work opportunities².

Promoting inclusive employment and strengthening the productive capacities of micro and small companies are central to UNDP's mandate, and to its commitment to the principle of leaving no-one behind. During the past years and through its country-level interventions, UNDP has gained rich experience in designing and implementing a range of innovative ALMMs, targeting different age groups and types of vulnerabilities. In addition, UNDP will ensure that existing models, tools and knowledge products will be made available through IRH's advisory services as well as country-to-country peer exchange of good practices.

A team of employment specialists from the UNDP Istanbul Regional Hub, as well as experienced practitioners from UNDP Country Offices in the ECIS region, will be engaged to quickly respond and provide technical assistance in the implementation phase, should such a need emerge.

In its new country programme, UNDP has committed to line up its resources and support national institutions in designing and rolling out new programmes and innovative tools and approaches that will ensure a transformational shift towards more inclusive and productive employment.

In this way, UNDP will also support Azerbaijan in the fulfillment of its obligations to ensure economic rights under the Convention of Elimination of All Forms of Discrimination Against Women (CEDAW), and the Convention on the Rights of the Persons with Disability (CRPD), as well as in promoting the re-integration of war veterans and mine victims into economic life.

IV. RESULTS AND PARTNERSHIPS

In close cooperation with government agencies and institutions, the Project Objectives will be achieved through three main outputs:

Output 1 - National and sub-national institutions have the necessary skills to effectively promote, implement and monitor ALMMs, using innovative solutions for monitoring and reporting

Output 2 –Vulnerable population, including persons with disability, receives tailored support for activation, social and work-oriented rehabilitation as well as mentoring for self-employment or employment into the formal labour market;

Output 3 – Active labour market measures, including the self-employment contribute to productive employment and creation of sustainable businesses by the unemployed job-seekers from vulnerable sections of population

Activities under Output 1 - National and sub-national institutions have the necessary skills to effectively promote, implement and monitor ALMMs, using innovative solutions for monitoring and reporting:

Project Activities planned within this Output will aim at supporting the establishment of an integrated management and monitoring system (IMMS) for measuring progress in the implementation of the ALMMs. Data will be collected in a systematic manner and reports will be available to relevant institutions and beneficiaries in a transparent manner, including through the use of web platform. Additionally, the Project will set the foundation for creating software solutions that will ensure timely and accurate reporting of the results achieved through the Programme.

² UNDP, outcome 1 and 2 Evaluation Report, 2015

The introduction of a back-office system will allow an easy storing, access and management of all relevant documents e.g. candidates' applications, business ideas developed by the participants in the programme, business plans and technical specifications of the requested and provided equipment and materials etc.

To this end, in 2018, the UNDP will provide technical assistance for conducting an initial assessment of MLSPP's and SES' existing Centralized Information System and assess the feasibility for its upgrading into an integrated MMS. Upon the approval of the Operational Procedures for the implementation the programme for self-employment of PWD, the responsible staff in the MLSPP and SES will receive on-the-job training on the procedures, eligibility rules, and beneficiaries' responsibilities and entitlements when participating in this programme. This will ensure accurate information and contribute to more streamlined implementation. Joint teams comprising of Project Management Unit (PMU) staff and representatives of ECs will regularly carry out monitoring field visits.

In addition, a matrix of performance benchmarks and age and gender disaggregated targets, will be set for each region. Thus, relevant institutions will receive systematic information about the success or reasons for a possible underperformance and/or drop-out by candidates, thereby becoming able to take timely corrective measures.

To better inform the general public on the possibilities offered by the self-employment programme, UNDP's and MLSPP's communication specialists shall design targeted public awareness campaigns (focused on conventional and new media), including the leading topics identified, implementation timeframes and speakers.

During the first year, the project shall develop detailed protocols and procedures (Standard Operating Procedures – SOPs) for implementation of the self-employment for persons with disabilities, which shall enable streamlined and harmonized implementation of the programmes. In the next phases of the project, UNDP shall support the MLSPP and SES in developing similar SOPs for other ALMMs, and their translation into IT based protocols and procedures.

Activity 1.1. Development of Operational Guidelines with elaborated procedures, templates and forms for the implementation of self-employment for PWD programme;

Activity 1.2. Conduct workshops and on-the-job training for national partners about the self-employment programme (employment centers, local executive power and self-governing bodies, local NGOs etc.);

Activity 1.3. Design instruments to improve the transparency and efficiency, monitoring and real time reporting of programmed results;

Activity 1.4. Conduct assessment and propose a software solution for upgrading the existing Centralized Information System of the MLSPP;

Activity 1.5. Design and carry out a survey to assess beneficiaries' satisfaction and feedback from their participation in the programme;

Activity 1.6. Based on the results of the beneficiary satisfaction survey, organize peer review exercise and provide technical assistance to MLSPP, SES and other relevant partners to improve the design of ALMMs;

Activities under Output 2 – Vulnerable population, including persons with disability, receive tailored support for activation, social and work-oriented rehabilitation as well as mentoring for self-employment or employment into the formal labour market:

To achieve the successful integration of vulnerable groups into the self-employment programme and other ALMMs, the Project will promote a culture of integrated service delivery and collaborative work between counsellors employed in the SES and social workers, and adoption of user-centred and individual case-management approaches in their daily work. This will help avoid the situation where participants in the self-employment programme and other ALMMs are predominantly those who are capable of finding jobs with minimum levels of support.

For this purpose the project will support development of a comprehensive training programme for public employment service counsellors and centres for social work staff on the design and use of

individual case management. Such skills will be necessary in the process of counselling, motivation and strengthening the soft skills of disadvantaged groups and specifically for PWD. The project will create training programme, toolkits and guidelines for integrated provision of services, strengthening of soft skills (e.g. communication, psycho-social support, stress management, negotiation etc.) for unemployed PWD and other job seekers among the vulnerable population groups.

Activity 2.1. Identify capacity development needs and design training materials and modules on how to conduct individual profiling of PWDs and other vulnerable job seekers and develop individual employment and social inclusion plan

Activity 2.2. Conduct a training programme for responsible staff in the district- and city-based employment centres and centres for social protection in profiling of capacities and needs of PWD as well as in provision of individualized support for social and labour market inclusion;

Activity 2.3. Design a training curriculum for social and work-oriented rehabilitation as well as for strengthening the soft-skills of PWD and other people from vulnerable groups;

Activity 2.4. Conduct a two-day training in social and work-oriented rehabilitation for the responsible EC staff as well as for the 50 certified trainers, who will be engaged in the *How to Start and Improve Your Business* programme for PWDs;

Activity 2.5. Conduct a two-day training in social and work-oriented rehabilitation and soft skills (psycho-social support, communications skills, stress management etc) for 750 participants in *How to Start and Improve Your Business* programme for PWDs;

Activity 2.6. Develop guidelines and protocols for enhanced information exchange and referral system between SES, regional Vocational Training Centres and Centres for Social Protection at local level for effective work-oriented rehabilitation of PWD;

Activity 2.7. Mapping and enhancing the partnership with local professional associations that can provide support services to the new entrepreneurs with disabilities;

Activity 2.8. Improving information sharing and networking among beneficiaries (design of brochures, video clip, press releases and web-page);

Activity 2.9. Organize a start-your business competition award for the beneficiaries of the project.

Activities under Output 3 – Active labour market measures, including self-employment, contribute to productive employment and creation of sustainable businesses by the unemployed job-seekers from vulnerable sections of population:

In its first year, the programme will pilot the programme for self-employment of persons with disability. This pilot measure shall be implemented in accordance with the Law of the Azerbaijan Republic on Employment and will support implementation of Decree No.1941 of April 7, 2016 of the President of Azerbaijan Republic "On Additional Measures in the Field of Assuring the Self-employment of the Population". The self-employment programme shall be implemented in partnership with the network of district- and city-based employment centres.

To ensure transparency and harmonized implementation of the rules, processes and criteria of the programme, as well as a clear division of roles and responsibilities among institutions, UNDP in partnership with MLSPP, shall develop detailed Operational Guidelines, which shall describe in detail the procedures of the programme as well as its monitoring mechanisms. The Operational Guidelines shall lay down the criteria and conditions that must be met by the end-beneficiaries during the project implementation.

The programme will be implemented nation-wide, covering all *rayons*. Nonetheless, to ensure equitable participation of all regions, quotas shall be assigned to each region, based on a formula which will reflect the population size as well as number of registered PWD seeking jobs in the employment centres. In the next phases of the programme, and as the availability and quality of data about the employment status of PWD becomes improved, the formula may be further refined to include additional

unemployed job-seekers selected at the SES. Self-employment programme for PWD will target individual households and allow for only one household member registered as active job seeker in SES to apply for the programme.

To ensure transparency of the process, the MLSPP shall announce the programme, and the SES will reach out to interested candidates. As a first step, dedicated staff of the employment centres shall inform the registered job seekers about the self-employment programme and organize information sessions for interested candidates to explain the procedures, entitlements and responsibilities of participants. In the next phase the project will develop a number of awareness-raising and communication tools that will publicize the programme and gradually encourage those who are not on the SES registry to participate. Ensuring competition as well as quality of candidates and business ideas are the main principles to adhere to. MLSPP and SES aim to reach and admit a minimum of 750 candidates in the programme.

Employment Centres will ensure confidentiality and impartiality of the application process. Once the selection/pre-selection has been carried out, successful candidates will receive a 6-day training on entrepreneurship, planning and management, access to financial markets, marketing and promotion and an additional two days coaching in social rehabilitation and soft-skills. For this purpose, UNDP shall hire a pool of 50 trainers, certified under ILO's training of trainers programme on 'How to Start and Improve Your Business'. 600 candidates who have successfully completed the training and developed an economically-viable business idea shall be supported in the development of a detailed business plan, and technical specification of the required equipment and raw materials to start the business. In order to select the best business plans, the project shall consider engaging external bank experts in micro-lending; but also social workers, who will provide expert opinion regarding the suitability of the candidate to run the proposed business, and to use the equipment. Social workers will also be asked to assess the adequacy of requested adaptations of the equipment and facilities, according to the specific impairments of PWD.

Employees in the employment centres along with the UNDP PMU's monitoring officers will be actively involved in this phase of the process and throughout the Project cycle to provide technical assistance for the smooth running of the process, but also to monitor the timeliness and quality of advisory support provided by external consultants.

500 candidates with the best business plans will be supported in the registration of the new business and provided with in-kind grants in the amount of 9,000 AZN. The grant will be comprised of three main components: 1) equipment and raw material; 2) adaptation of facilities according to the specific needs of the PWD; and 3) work assistance for a period of 6 months. The value of each component will be elaborated and justified in the business plan and the annexed technical specification.

A team of mentors/trainers, who will be hired under the programme, shall also provide individual support to people with disabilities over a period of 3 months after the registration of the small business. Moreover, the Monitoring Officers of the PMU will be trained to continue coaching the beneficiaries over the next 9 months. Mentoring support will thus be provided to beneficiaries on a case-by-case basis for the first year after registration, ensuring that beneficiaries strengthen their skills for running a small business, which is the most critical period for its sustainability. All activities will be designed and implemented in close consultation with relevant partners, including those from academia, social and vocational rehabilitation centres, social workers, civil society organizations working on issues of people with disabilities.

In addition, the Project will support people with disabilities with other aspects of integration into society. Work-oriented rehabilitation programmes including counseling, training in soft skills and where necessary short term vocational training shall be offered to candidates. The employment centres will be the first point of contact for identifying the unemployed persons with disabilities. However, employment counsellors will make efforts to identify other social and work rehabilitation opportunities for PWD, to make contacts and refer candidates to relevant institutions.

The activities listed below describe the main steps of the self-employment programme for PWD, while the detailed procedures, forms and criteria shall be described in the detailed Regulation (i.e. Standard Operating Procedures), to be approved by the Project Steering Committee and shall constitute an integral part of the project document.

- Activity 3.1.** Call for applications and promotion of self-employment opportunities
- Activity 3.2.** Informing, motivating and promotion of self-employment opportunities for people with disabilities
- Activity 3.3.** Selecting 50 training providers for delivering '*How to Start and Improve your Business*' training
- Activity 3.4.** Collection of 900 applicants' documents and conduct of assessment of the applicants
- Activity 3.5.** Individual assessment and selection of 700 applicants for further participation in the self-employment programme
- Activity 3.6.** Delivery of 6-day training in '*How to Start and Improve Your Business*'
- Activity 3.7.** Evaluation and selection of 600 candidates with best business ideas
- Activity 3.8.** Coaching and guidance of 600 beneficiaries in the process of developing the business idea of the beneficiary into a sustainable business plan
- Activity 3.9.** Evaluation and selection of 500 business plans for micro-grant supporting
- Activity 3.10.** Registration of 500 newly-established businesses
- Activity 3.11.** Providing 500 small capital grants for the procurement of necessary equipment, materials or adaptation of the work place for the established legal entities
- Activity 3.12.** Mentoring support of the newly established companies after their registration

Key project stakeholders will be:

Ministry of Labour and Social Protection of Population

MLSP is the principle government body responsible for the formulation, coordination and implementation of employment and social protection policies, including services for PWD, and will be the main Government counterpart in the implementation of the project. The MLSP is particularly interested in expanding the portfolio of ALMMs offered by the Ministry and State Employment Service, which are targeted on the vulnerable and rural populations, as part of efforts to gradually reduce the reliance on Targeted Social Assistance and to provide new forms of support to pull them out of poverty and out of the informal economy. The Ministry will ensure national ownership of the action, facilitate access to the project's target beneficiaries and coordinate certain activities with other government entities (e.g. State Employment Service, Ministry of Economy, Ministry of Education). In this respect, close cooperation is expected throughout the implementation with the key officials and experts assigned by the MLSP for this purpose.

The Department of Employment Policy and Demography within the MLSP partakes in preparing state policy for employment, labor market adjustment, demography and migration and appropriately coordinates execution of this policy. The Employment Policy Department will be providing guidance and quality assurance in the process of preparing and clearance of methodical recommendations, materials of communication-information character in the field of employment, beneficiaries' satisfaction survey etc. The Head of Department will also act as the National Project Coordinator and will ensure daily communication with UNDP Country Office and the PMU.

State Employment Service

The SES operates under the Ministry of Labour and Social Protection of Population. It has 86 local branch offices distributed throughout the 9 economic regions, which are responsible for the administration of unemployment benefits, provision of services for the unemployed, including training and implementation of the self-employment programme. Depending on the size of the employment centre, there are one or two staff members/job counsellors designated to coordinate activities under self-employment programme. During the past period both the WB and ILO have provided extensive support to the SES in the modernization of its service model, as well as in the capacity building of the staff. Nonetheless, only about 10 per cent of those not in employment are officially registered as unemployed, which indicates the need for enhancing the methods for information dissemination on the services provided by the employment centres, as well as expanding the range of ALMMs offered by employment centres.

Vocational Rehabilitation Centre for Young People with Disabilities

The VRC in Baku operates under the auspices of the State Service of Social Security of the MLSP. This educational institution organizes professional training for youth with disabilities with the purpose of integrating them into society and helping them acquire the skills demanded by the labor market. The centre offers 10 types of training courses, including crafts, computer programmes, cooking, sewing, hairdressing, etc. The VRC has capacity for 200 students. So far over 1,000 young people have successfully passed the completion exams, and many of them have gone on to be employed in state institutions or in the private sector. The Centre issues a certificate, which is nationally recognized and refers successful students to the SES for further job counselling and employment mediation. Moreover, the VRC provides medical, social and work-oriented rehabilitation, following an individualized approach, which is designed according to an individual needs assessment, carried out by the center's professional staff. The experience, staff capacities and well- designed programmes for vocational education and social

rehabilitation, as well as the already-established model of cooperation with SES, all contribute to making the VRC a centre of excellence, which can provide training and expertise to other trainers and institutions involved in the implementation of ALMMs. The VRC can also provide support to the four VET centers that are providing professional orientation and vocational training to vulnerable population.

Development partners

Development partners (ILO, WB and others) which support economic empowerment, employment, business start-ups and livelihoods projects and similar initiatives in Azerbaijan will be important project stakeholders. The project will share, coordinate and collaborate with these partners as and where relevant.

Other partners

Other potential partners are regional employment centres, local authorities, local associations and NGOs with experience of working with PWD, medical rehabilitation centres and social and occupational rehabilitation centres, research institutions etc.

During the Inception Phase, the project will undertake an in-depth stakeholder mapping and develop a strategy for their engagement in the project implementation.

Knowledge

The project will produce reports, training materials, toolkits, guidelines and policy papers, which will support the creation of an enabling environment for the promotion of entrepreneurship and business-start-ups, innovation and active inclusion in the labour market of long-term unemployed from the vulnerable groups.

The knowledge products shall include a mapping and assessment of the availability of gender-sensitive employment and business start-up programmes, including for people with disabilities, as well as those for the overall at-risk population; guidelines and toolkits on individual profiling and case management; guidelines and procedures for regional employment centres and centres for social protection on the rights of and services for PWD and other vulnerable groups; a review of the services provided by the employment centres and social workers from the perspective of their success in reaching those groups most distanced from the labour market;

Sustainability and Scaling Up

The project will primarily focus on maximizing the impact of existing good practices in the region as well as the EU member states, through replication and scaling up, but it will also foster innovative approaches that will introduce new service lines and work methods for the MSPP, employment centres, centres for social protection and other entities involved in the provision of employment or social and work-oriented rehabilitation services. The project design has taken into account the following levels of sustainability:

Policy level sustainability: The Government of Azerbaijan has committed to translate Agenda 2030 ("Transforming our world: Agenda for Sustainable Development) into national policies and programming. "Azerbaijan 2020: Look into the Future" (Approved by 29 December 2012 Decree No. 800 of the President of the Republic of Azerbaijan), Strategic Sectoral Roadmaps (Approved by 6 December 2016 Decree of the President of the Republic of Azerbaijan) and the National Employment Strategy 2017-2030 provide forward-looking frameworks and confirm the Government's priorities for economic diversification, creation of decent jobs and improvements in the population's access to quality education and social service infrastructure. *Azerbaijan 2020: Look into the Future* contains a blue print for turning

Azerbaijan into a knowledge-based economy, increasing the country's competitiveness, and diversifying its economic structure.

During 2015-2016 the Government launched systemic reforms to accelerate economic diversification, prioritizing the development of specific economic sectors, including agricultural production and processing, tourism and production of consumer goods by the SME sector, while also supporting those with less favourable labour market positions—especially women, youth and persons with disability.

The government has also acknowledged the need to combine economic diversification with enhanced social sustainability, which implies further investment in skills development, employment services and effective labour market policies. Thus, complementary to the Road Map, the Ministry of Labour and Social Protection of Population (MLSP) has adopted a new National Employment Strategy 2019 – 2030 which is specifically designed to address labour market imbalances and vulnerabilities, as an integral part of efforts to diversify the economy in a socially sustainable way.

The Project foresees a multi-sectoral approach to support key aspects of policy-making and implementation of employment programmes for the vulnerable population. The Active Labour Market Programmes and Measures, which will be supported and piloted under this project, shall contribute to the achievement of SDGs by contributing to building productive capacity for private sector growth while promoting inclusive employment and labour market participation of the most vulnerable.

When addressing specific problems, the project team shall provide sufficient support and facilitation of exchange of good practices and their translation into authentic policy solutions aligned with Government's vision and priorities spelled out in the Azerbaijan – 2020: "The Vision of the Future" Development Concept, December 2012.

Institutional sustainability: To successfully accomplish the agreed objectives and targets, the Project will pay special attention to strengthening the capacity of staff in MLSP and SES, including the employees in the regional employment centres, to implement ALMMs currently supported by UNDP. Moreover, the project will engage the Centres for social Protection as well as Centres for Social and Work-Oriented Rehabilitation, which in their day-to-day work specifically focus on providing services for PWDs. The aspect of capacity building will be integrated across all project components and activities, with a focus on strengthening not only individual capacities through training and experience sharing, but also institutional capacities. Institutional capacity building will also involve regional and local entities responsible for provision of employment services, vocational training and social protection of the vulnerable population.

Employment programmes by their nature involve a multi-sectoral approach and involvement of a wide range of institutions. For these reasons, it is essential that the existing mechanisms of inter-institutional coordination be strengthened and intensive cooperation and a clear division of responsibilities and activities between institutions at the central and local level be established. UNDP will continue to support this process and provide institutional support for the integrated management and implementation of ALMMs at both central and local levels.

In addition, innovative approaches and working practices will be promoted primarily in support of start-ups by youth, as well as the design and delivery of employment and social services for people at risk of social exclusion.

Financial sustainability: The Government of Azerbaijan has taken action to ensure sustainable, predictable and transparent financing of active labour market measures, including financing of public employment services, public works, training, wage subsidies and self-employment. While more people benefitted from vocational training and business entrepreneurship programmes through these programmes, the total number of beneficiaries is still less than 2.0% of the number of unemployed. The funds, outreach and capacities of the public employment service (PES), are not yet sufficient to ensure

engagement of larger numbers of job seekers in these programmes (less than 25% of job seekers register with the PES).

The central instrument of the Government's active labour market measures has been a \$3.5m self-employment programme managed by the MLSPP and implemented in partnership with ILO, which provided small in-kind grants to around 1,500 families in 2016-2017. The Government is now planning to expand the programme countrywide to cover up to 10,000 families. If properly designed and implemented and complemented with other measures for increasing inclusion of the vulnerable population, this programme could make a significant contribution towards the achievement of a number of SDG targets.

The new extended programme will be partly funded by the recently established state **unemployment insurance fund** ((Law No. 765-VQ, dated 30 June 2017, of the Republic of Azerbaijan on Unemployment Insurance).

V. Project Management

UNDP will manage and maintain the oversight on the overall budget and procurement of inputs required for implementation of the action. For this purpose, a Programme Analyst will be assigned to the action and he/she will be responsible for monitoring the implementation of the action by the project team, quality assurance, timely reporting of its progress to the MLSPP as well as for organizing the external evaluation. UNDP Operations staff will support the project team with guidance and compliance with UNDP operational rules and procedures. UNDP will also assign its Communication Specialist to support the action's visibility plan.

UNDP will support co-ordination and networking with related initiatives, institutions and similar projects in the country. At the central level, the Ministry of Labour and Social Protection of Population and the Public Employment Service will be UNDP's main government counterpart associated with the implementation of the project. At the local level, the project team will closely collaborate with Regional Employment Centres.

VI. Results Framework

Strategic Priority Area1: Promoting Sustainable and Inclusive Economic Development Underpinned by Increased Diversification and Decent Work

National Priority- Vision 2020 goals: Towards a highly competitive economy; balanced development of regions, development of human capital;

Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework: By 2020, the Azerbaijan economy is more diversified and generates enhanced sustainable growth and decent work, particularly for youth, women, persons with disabilities and other vulnerable groups

Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

- 1.1. GDP Annual average growth rate in non-oil sector *Baseline:* N.A. *Target:* 7%³
 1.3. Unemployment rate disaggregated by sex and age. *Baseline (2014): Population: 4.9%; Male: 4.0%; Female: 5.8% Youth (15-29): 9.7% Targets: Population: 4.9% Male: 4.0%; Female: 5.7% Youth (15-29): 9.5%*

Output Indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

- 1.1. Training capacities of the state institutions are strengthened to prepare qualifies workforce for the non-oil sectors of economy
 Indicator 1.1.1.: Number of new training modules developed *Baseline: 0 Target: 5*
 Indicator 1.1.2. Number of people (youth, women, people with disabilities) benefiting from training programme *Baseline: 0 Target: 250 with 40/60 sex ratio; with at least 80% under the age of 30 and at least 5% persons with disability*
 1.2. Managerial capacities of state agencies supporting small and medium-sized businesses are improved. *Baseline: 25 (of which 12% are women) Target: 40 (with at least 25% women)*

Applicable Outcome from the UNDP Strategic Plan: Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and total population

Corresponding SDG target: 10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

Project title and Atlas Project Number: *Creating Inclusive and Decent Jobs for Socially Vulnerable Groups, Atlas Project Number: 00109290*

OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS		DATA COLLECTION METHODS & RISKS
			Value	Year	Year	Year	
				2019		2020	

<p>Output 1 – National and sub-national institutions have the necessary skills to effectively promote, implement and monitor ALMMs, using innovative solutions for monitoring and reporting</p>	<p>1.1 Developed tools for national partners to improve their monitoring and real time reporting on Employment Programmes' results, including through the use of innovative IT solutions practices</p>	<p>MLSPP has established Centralized Information Centres</p>	<p>2017</p>	<p>In-depth assessment and design of the tools</p>	<p>Monitoring tools developed and fully functional</p>	<p>Collection method: Review/analysis of relevant reports, surveys, bi-annual Frequency: quarterly Responsibility: PMU</p>
<p>1.2: Number of new ALMMs targeting vulnerable groups designed or improved</p>	<p>2017</p>	<p>ALMMs targeting vulnerable groups implemented as pilot programmes</p>	<p>2017</p>	<p>beneficiaries satisfaction survey conducted</p>	<p>ALMMs targeting vulnerable populations refined and improved</p>	
<p>Output 2 – Vulnerable population, including persons with disability, receives tailored support for activation, social and work-</p>	<p>2.1. % of trained staff in EC and social workers, who apply methodologies for promoting inclusiveness in the job matching processes and in the implementation of ALMMs</p>	<p>48 person</p>	<p>2017</p>	<p>40% of job counsellors</p>	<p>40% of job counsellors</p>	

<p>oriented rehabilitation as well as mentoring for self-employment or employment into the formal labour market;</p>	<p>2.2. Number of activated, motivated and supported individuals at risk of social exclusion</p>	<p>Unemployed persons from vulnerable groups face difficulties and obstacles in job search and employment</p>	<p>2017</p>	<p>Services for activation of individuals at risk of social exclusion mobilize 500 unemployed persons from the risk of social exclusion groups registered with SES.</p>	<p>Services for activation of individuals at risk of social exclusion mobilize 500 unemployed persons from the risk of social exclusion groups registered with SES.</p>
<p>Output 3 - Active labour market measures, including the self-employment contribute to productive employment and creation of sustainable businesses by the unemployed job-seekers from vulnerable sections of population</p>	<p>2.3. Number of PWD with improved soft skills for social rehabilitation and communication</p>	<p>0</p>	<p>2017</p>	<p>500 end beneficiaries</p>	<p>200 end beneficiaries</p>
<p>Output 3 - Active labour market measures, including the self-employment contribute to productive employment and creation of sustainable businesses by the unemployed job-seekers from vulnerable sections of population</p>	<p>3.1. Number of applications by unemployed people with disabilities</p>	<p>0</p>	<p>2017</p>	<p>900</p>	<p>0</p>
<p>Output 3 - Active labour market measures, including the self-employment contribute to productive employment and creation of sustainable businesses by the unemployed job-seekers from vulnerable sections of population</p>	<p>3.2. Number of unemployed people with disabilities who completed the training in entrepreneurship and business skills development</p>	<p>0</p>	<p>2017</p>	<p>700</p>	<p>0</p>

	<p>3.3. Number of self-employments created by PWD</p>	<p>Admin report on action plan by PES or relevant institution. Attendance lists of trainings</p> <p>Admin report on action plan by PES or relevant institution. Attendance lists of trainings</p>	<p>TBD</p>	<p>2017</p>	<p>150 self-employments / small businesses established by people with disabilities</p> <p>Regional distribution based on the established quota, 30% up to age of 30 25% women</p>	<p>350 self-employments/ small businesses established by people with disabilities</p> <p>Regional distribution based on the established quota, 30% up to age of 30 25% women</p>
	<p>3.4. Share of self-employments created by vulnerable groups</p> <p>i) Women ii) Youth aged up to 29 iii) War veterans</p>	<p>308 303 22</p>	<p>2017</p>	<p>i) 25% ii) 30% iii) 10%</p>	<p>iv) 25% v) 30% vi) 10%</p>	

VII. MONITORING AND EVALUATION

Project monitoring and evaluation will be organized in line with UNDP's programming policies and procedures.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required by each indicator	Slower than expected progress will be addressed by project management.	na	na
Track operational efficiency	Progress data against set target values (number of candidates and success rate) for the key phases of each self-employment cycle: application, business idea and business plan preparation, registration, employment, contracting, and procurement.	According to the implementation dynamic of the self-employment cycle	Slower than expected progress and lower success rates will be addressed by project management.	MLSP, PES	na
Monitor data accuracy	Field data will be collected in order to check / confirm the accuracy of information provided by the candidates and the quality of consultants' outputs. Various data collecting tools will be used according to the specifics of the monitored subject: desk analysis of candidates' data conducted by EC's in the application phase; joint field visits with EC's staff to all beneficiaries to check / confirm the correctness of the procurements financed by the project, etc.	According to the implementation dynamic of the self-employment cycle	Any deviations from the established project rules will be addressed by the project management.	MLSP, PES	na
Monitor and Manage Risk	Monitoring measures and plans that will be developed include: risk log and social and environmental standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Annually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	na	na

Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	na	na
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision to improve the project.	Semi-annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	na	na
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons, and quality will be discussed by the project board and used to make course corrections.	na	na
Project Report	a) Annual Project Report shall be prepared by the Project Manager and shared with PSC Members. It shall include progress against targets during the calendar year. b) Final Project Report shall be prepared at the very end (operational closure) of Project Activities in order to assess the overall performance of the Project and provide analysis and suggestions on possible improvements over the next year. This Report shall serve as a basis for discussion of the Steering Committee on Project achievements and Project contribution to the results accomplished. If necessary, the Final Report may include other stakeholders, as well.	Annually, and at the end of the project (final report)		na	na
Project Review (Project Board)	The PSC will hold regular project reviews to assess the performance of the project and review the Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	na	na

Evaluation Plan⁴

A external project evaluation will be commissioned at the end of the project in accordance with the UNDP evaluation policy.

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation		Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and total population	By 2020, the Azerbaijan Economy is more diversified and generates enhanced sustainable growth and decent work, particularly for youth, women, persons with disabilities and other vulnerable groups	March 2020	MSPP, PES, local authorities	approx. \$10,000 project budget

⁴ Optional, if agreed with project partners

VIII. Annual Work Plan										
EXPECTED OUTPUTS and RESULT INDICATORS	PLANNED ACTIVITIES	Time Frame Year 1				Responsible Party	Funding Source	Budget Description	Amount USD	
		Q 1	Q 2	Q 3	Q4					
<p>Output 1 – National and sub-national institutions have the necessary skills to effectively promote, implement and monitor ALMMs, using innovative solutions for monitoring and reporting</p> <p>Result indicator 1.1 Developed tools for national partners to improve their monitoring and real time reporting on Employment Programmes' results, including through the use of innovative IT solutions practices</p> <p>Baseline (2017): MLSPP Centralized Information Centres</p> <p>Target (2018): In-depth assessment and design of the tools</p>	<p>1.1. Development of Operational Guidelines with elaborated procedures, templates and forms for the implementation of self-employment for PWD programme</p>					UNDP, MLSPP	30071	Ind. Consult. Int. Ind. Consul local Worksh.	3,000.00	
	<p>1.2. Conduct workshops and on-the-job training for national partners about the self-employment programme (employment centers, local executive power and self-governing bodies, local NGOs etc.);</p>		x				UNDP	30071	Worksh.	2,000.00
	<p>1.3. Design instruments to improve the transparency and efficiency, monitoring and real time reporting of programmed results;</p>		x	x	x		UNDP	30071	Individual int. consult. Individual local consult	10,000.00
	<p>1.4. Conduct assessment and propose a software solution for upgrading the existing Centralized Information System of the MLSPP;</p>			x			UNDP, MLSPP	30071	Individual local consult.	10,000.00

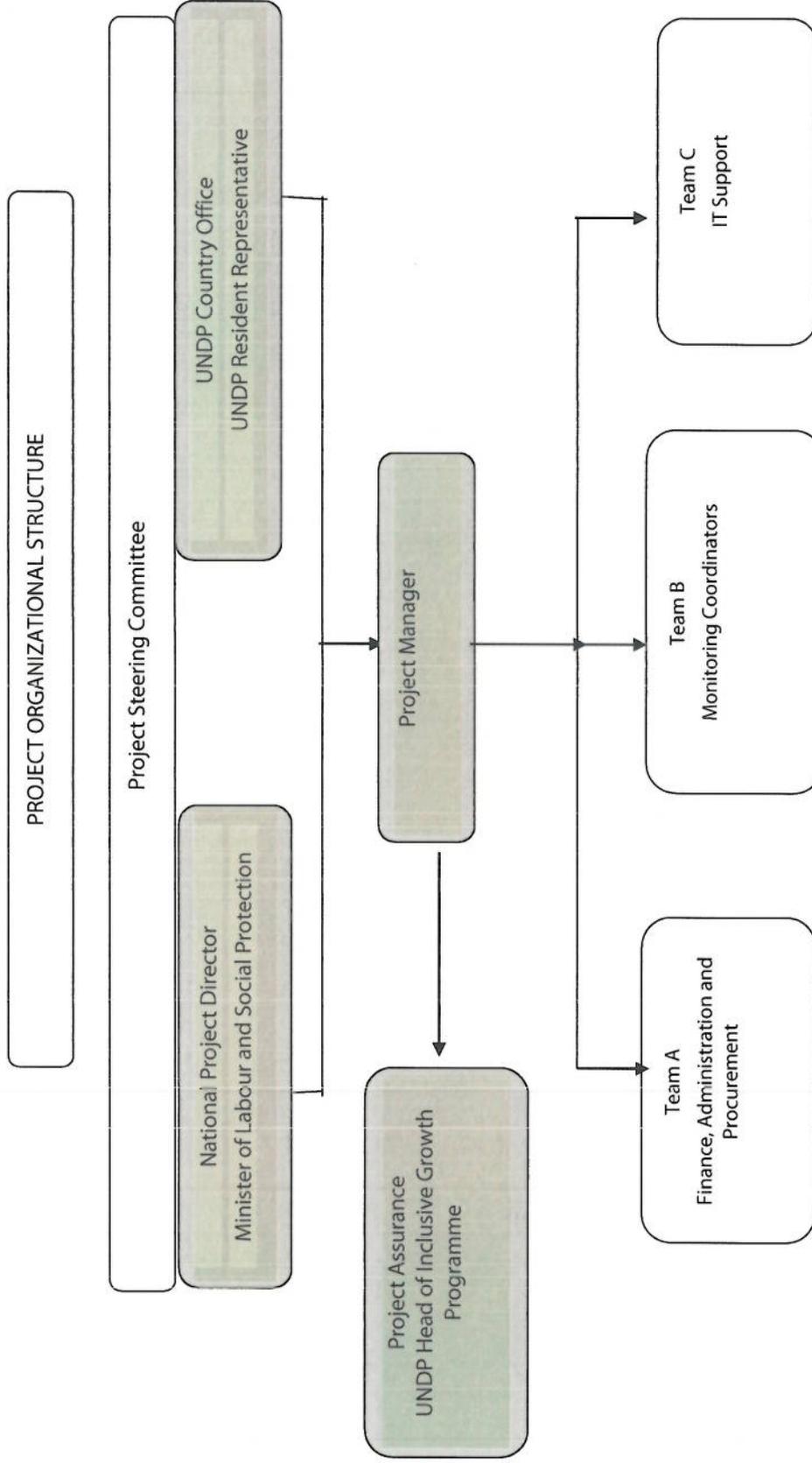
<p>Target (2019): Monitoring tools developed and fully functional.</p> <p>Result Indicator 1.2: Number of new ALMMs targeting vulnerable groups designed or improved</p> <p>Baseline (2017): ALMMs targeting vulnerable groups implemented as pilot programmes</p> <p>Target (2018): beneficiaries satisfaction survey conducted</p> <p>Target (2019): ALMMs targeting vulnerable populations refined and improved</p>	<p>1.5. Design and carry out a survey to assess beneficiaries satisfaction and feedback from their participation in the programme;</p> <p>1.6. Based on the results from conducted survey, organize peer review exercise and provide technical assistance to MLSPP, SES and other relevant partners to improve the design of ALMMs;</p>		x	x	UNDP	30071	72100	Contract services-comp.	10,000.00
			x	UNDP	30071	71600 75700	Travel Worksh.		5,000.00
<p>Sub-Total for Output: 1</p> <p>40,000.00</p>									
<p>Output 2 – Vulnerable population, including persons with disability, receives tailored support for activation, social and work-</p>	<p>2.1. Identify capacity development needs and design training materials and modules on how to conduct individual profiling of PWDs and other vulnerable job seekers and develop individual employment and social inclusion plan</p>	x		UNDP	30071	71200 71300	Individual int. consult. Individual local consult.		5,000.00

<p>oriented rehabilitation as well as mentoring for self-employment or employment into the formal labour market;</p> <p>Result indicator 2.1 % of trained staff in EC and social workers, who apply methodologies for promoting inclusiveness in the job matching processes and in the implementation of ALMMs</p> <p>Baseline (2017): TBD</p> <p>Target (2018): 40% of job counsellors</p> <p>Target (2019): 40% of job counsellors</p>	<p>2.2. Conduct a training programme for responsible staff in the district- and city-based employment centres and centres for social protection in profiling of capacities and needs of PWD as well as in provision of individualized support for social and labour market inclusion;</p>	<p>x</p>	<p>UNDP</p>	<p>30071</p>	<p>71200 71300</p>	<p>Individual int. consult. Individual local consult.</p>	<p>5,000.00</p>
<p>Result indicator 2.2 Number of PWD with improved soft skills for social rehabilitation and communication</p> <p>Baseline (2017): 0</p> <p>Target (2018): 500 end beneficiaries</p> <p>Target (2019): 200 end beneficiaries</p>	<p>2.3. Design a training curricula in social and work-oriented rehabilitation as well as for strengthening the soft-skills of PwD and other long-term job seekers from vulnerable groups;</p> <p>2.4. Conduct a two-day training in social and work-oriented rehabilitation for the responsible EC staff as well as for the 50 certified trainers, who will be engaged in the How to Start and Improve Your Business programme for PWDs;</p> <p>2.5. Conduct a two-day training in social and work-oriented rehabilitation and soft skills (psycho-social support, communications skills, stress management etc) for 700 participants in How to Start and Improve Your Business programme for PWDs;</p>	<p>x</p>	<p>UNDP</p>	<p>30071</p>	<p>71200 71300</p>	<p>Individual int. consult. Individual local consult.</p>	<p>3,000.00</p>
<p>Result indicator 2.2 Number of PWD with improved soft skills for social rehabilitation and communication</p> <p>Baseline (2017): 0</p> <p>Target (2018): 500 end beneficiaries</p> <p>Target (2019): 200 end beneficiaries</p>	<p>2.4. Conduct a two-day training in social and work-oriented rehabilitation for the responsible EC staff as well as for the 50 certified trainers, who will be engaged in the How to Start and Improve Your Business programme for PWDs;</p> <p>2.5. Conduct a two-day training in social and work-oriented rehabilitation and soft skills (psycho-social support, communications skills, stress management etc) for 700 participants in How to Start and Improve Your Business programme for PWDs;</p>	<p>x</p>	<p>UNDP</p>	<p>30071</p>	<p>71300 75700</p>	<p>Individual local consult. Train. Works.</p>	<p>5,000.00</p>
<p>Result indicator 2.2 Number of PWD with improved soft skills for social rehabilitation and communication</p> <p>Baseline (2017): 0</p> <p>Target (2018): 500 end beneficiaries</p> <p>Target (2019): 200 end beneficiaries</p>	<p>2.5. Conduct a two-day training in social and work-oriented rehabilitation and soft skills (psycho-social support, communications skills, stress management etc) for 700 participants in How to Start and Improve Your Business programme for PWDs;</p>	<p>x</p>	<p>UNDP</p>	<p>30071</p>	<p>71300 75700</p>	<p>Individual local consult. Train. Works.</p>	<p>5,000.00</p>

Output 3 - Self-employment initiative contributes to the creation of 500 sustainable businesses by persons with disabilities	2.6. Develop guidelines and protocols for enhanced information exchange and referral system between SES, Vocational Training Centres and Centres for Social Protection at local level for effective work-oriented rehabilitation of PWD;	x	x	x	UNDP	30071	71200 71300	Individual int. consult. Individual local consult	2,000.00
	2.7. Mapping and enhancing the partnership with local professional associations that can provide support services to the new entrepreneurs with disabilities;	x	x	x	UNDP	30071	71300	Individual local consult.	3,000.00
	2.8. Improving information sharing and networking among beneficiaries (design of brochures, video clip, press releases and web-page);	x	x	x	UNDP	30071	71400 72100	Individual local consult. Contract. services-comp.	11,026.00
	2.9. Organize a start-your business competition for the beneficiaries of the project.		x		UNDP	30071	75700	Confer. Public events	5,000.00
	Sub-Total for Output 2								
	3.1. Call for applications and promotion of self-employment opportunities	x			MLSPP, UNDP				
	3.2. Informing, motivating and promotion of self-employment opportunities for people with disability	x			MLSP, EC, UNDP				

Administrative Costs	Total - 5% (GMS and direct project costs)					140,080.00
TOTAL						3,141,695.00

IX. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



I. Project Governance. The Project shall be nationally implemented with UNDP acting as Responsible Party. Government shall entrust UNDP to provide services related to procurement, recruitment, contracting and execution of direct payments to suppliers under the conditions regulated by the Letter of Agreement on Service Provision and Project Support between the Government and UNDP.

UNDP shall assume the primary responsibility for reporting, regular bookkeeping, monitoring and evaluation, as well as oversight of implementation partners. UNDP shall provide support in Project implementation and operational implementation of project activities, as well as technical and advisory assistance. The roles and responsibility for the implementation of the programme will be in line with UNDP Rules and Regulations for Project Management that defined minimum requirements to ensure UNDP's accountability for programming activities and use of resources. The Ministry of Labour and Social Protection of Population will serve as an Implementing Agency and the Ministry of Social Protection of the Population as the Government counterpart will be responsible for the facilitating of all project events, consultant missions undertaken within the context of this project.

A Project Steering Committee (PSC) will be established at the beginning of the implementation to monitor the progress of the action, to guide its implementation and to support the action otherwise in achieving its results and objectives. Meetings shall be held periodically, but no later than every 6 months. The PSC will be chaired by the National Project Director and will be composed of designated representatives of MLSPP and UNDP. Other stakeholders can be invited to PSC meetings, by the decision of the PSC. The Project Steering Committee shall periodically review the progress in the implementation of project activities and the project's impact and shall take decision for continuation and/or expansion of the project activities in the subsequent years. For this purpose, the Project Manager shall be asked to provide an evidence-based assessment of the project impact in the previous year and a work-plan for the subsequent year of the project implementation.

- a) The Minister of Labour and Social Protection of the Population shall be a National Project Director (NPD) and Chair of the Project Steering Committee. He shall coordinate the cooperation with the relevant line ministries and other partners on issues relating to the Creating Inclusive and Decent Jobs for Socially Vulnerable Groups.
- b) UNDP Resident Representative will act as a Senior Executive of the Programme and ensure that UNDP provides a top-notch expertise to the programme
- c) The Head of Department of Employment Policy and Demography shall act a National Project Coordinator (NPC). Under the guidance of the National Project Director, the National Coordinator shall participate, create conditions, and where necessary, timely remove any institutional obstacles that may affect the ongoing Project implementation.
- d) The Project Manager will participate as a non-voting member in the PSC meetings and will be responsible for compiling a summary report of the discussion, recommendations and conclusions of each meeting.

II. Project Management Project Manager (PM) will be recruited and tasked with day-to-day management of project activities, as well as with substantive, financial and administrative reporting. PM will be responsible for project implementation, routine management and monitoring. His/her responsibility is to ensure that the planned outputs are produced by undertaking necessary activities in accordance with the project plan and meeting the required standards of quality and within specified constraints of time and cost. The Ministry of Labour and Social Protection of Population will appoint Project Director and National Project Coordinator, who will be the main focal point in the Ministry for all project related issues and responsible for the overall oversight of the programme.

He/she shall work under close guidance and supervision to the Programme Analyst on Inclusive Growth and report to the Project Steering Committee. In addition, the Project Manager will provide regular updates to the National Project Coordinator on the progress achieved and impediments and risks faced in the course of the implementation and raise awareness of major issues if/when these arise.

III. Project Assurance. UNDP will designate a Programme Analyst to provide independent project oversight and monitoring functions, to ensure that project activities are managed, and milestones

accomplished. The UNDP Programme Analyst will be responsible for reviewing project reports, produced by the PM and assuring quality of project deliverables and the work to be carried out by the international/local experts or subcontractors to be recruited for the implementation for the specific outputs/activities of the action. The Programme Analyst shall be responsible for ensuring regular cooperation and timely reporting to the Government.

I. Project Support To support day-to-day management of the action, a Project Management Unit (PMU) shall be established to provide financial and administrative support to the project including, procurement, contracting, travel, field monitoring, financial management of the project and processing including disbursements, record-keeping, payment, cash-flow management and compilation of financial reports. PMU will be based in MSPPP in Baku with frequent travels to regions. It will be composed of a project manager, 4 monitoring officers, 1 financial assistant, 1 procurement assistant, 1 communications specialist and 1 database manager.

II. Experts Support Local/International experts and consultancy companies will be recruited by UNDP as required for the implementation of each component, to develop training/awareness materials, conduct of studies and surveys.

Project funds shall be managed in accordance with UNDP financial rules and regulations, based on the approved Annual Work Plan and detailed Budget. PMU and a designated Programme Analyst shall be responsible for timely and transparent reporting on resources allocated and Project results achieved. Project funds must not be used for VAT payment. The Government shall bear all such costs and ensure a VAT return to all suppliers involved in Project Activities.

Operational Guidelines describing the methodology and process of implementation of Project Activities shall be developed and will constitute an integral component of the agreement between MLSP and UNDP. This document shall describe the requirements and procedures for application and participation in Programmes, as well as templates for all forms to be used in measure implementation. Operational Guidelines shall specify the monitoring methods and communication activities.

Legal Context Standard Clauses

This Project Document shall be the instrument referred to as such in Article 1 of the Standard Agreement on Basic Assistance (SBAA) signed between the Government of Azerbaijan and the United Nations Development Programme signed on 6 February 2001. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures. The financial governance of the project shall ensure best value for money, fairness, integrity, transparency, and effective competition.

Risk Management Standard Clauses

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- (a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- (b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of Implementing Partners’ obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

4. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).

5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-receipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

8. The requirements of the following documents, then in force at the time of signature of the Project Document apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt

Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

9. In the event that an investigation is required UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

10. The signatories of the Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative, who will promptly inform UNDP's Office of Audit and Investigation (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such activities.

11. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities, which are the subject of the Project Document, may seek resources to the Implementing Partner for the recovery of any funds determined by UNDP to be used inappropriately, including through fraud or corruption or otherwise paid otherwise than in accordance with the terms and conditions of the Project Document.

12. Each contract issued by the Implementing Partner in connection with this Project Document, shall include a provision that no fees gratitude, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received or promised in connection with the selection process or in contract execution, and that the recipients of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing related to the project, the Government will ensure that the relevant, national authorities shall investigate the same and take appropriate legal actions against all individuals found to have participated in the wrongdoing, recover and return any received funds to UNDP.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts, sub-agreements entered into further to this Project Document.

SPECIAL CLAUSES

Project budget and financial reports shall be expressed in US dollars and Azerbaijan Manats. If an unpredictable increase in expenditures or liabilities is expected or occurs (whether due to inflationary factors, fluctuations in exchange rates or unforeseen events), UNDP shall provide notification thereon and promptly provide an additional estimate of additional funds needed.

Procurement contracts shall be signed and implemented only after complete transfer of government funds to UNDP.

The ownership title over the equipment purchased through UNDP for Grant Programme beneficiaries of the Self-Employment shall be transferred to the beneficiaries.

In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery of 5% by UNDP for two distinct cost categories related to the project's implementation and provision of support services i.e. i) General Management Support (GMS) and ii) Direct Project Costing for services provided by the UNDP Country Office.

The ownership title over the equipment purchased through UNDP for Grant Programme beneficiaries of the Self-Employment and Additional Employment Programmes in micro and small enterprises and craft shops shall be directly transferred to the beneficiaries.

The contribution shall be subject solely to internal and external audit procedures envisaged by financial regulations, rules and directives of UNDP.