THE 4th VOLUNTARY NATIONAL REVIEW OF THE REPUBLIC OF AZERBAIJAN UNDER THE THEME OF

Reinforcing the 2030 agenda for sustainable development and eradicating poverty in times of multiple crises: the effective delivery of sustainable, resilient and innovative solutions.
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1. INTRODUCTION AND SPECIAL HIGHLIGHT
1.1. CONTEXT AND OBJECTIVES

Following the adoption of the Agenda 2030, Azerbaijan has continuously made every effort to successfully implement sustainable development goals, with a strong dedication to sustainability deeply embedded in its policies and strategies. The nation has dedicated considerable resources to environmental initiatives and remains fully engaged in regional and global partnerships. Politically and economically, Azerbaijan stands out as a key player in the expansive region spanning Eastern Europe and Central Asia.

Capitalizing on its market stability, Azerbaijan emerges as an appealing choice for impact investors seeking access to both European and Asian markets. However, in the face of the global climate crisis and the country’s environmental challenges, conventional policies emphasizing mere economic growth at the expense of social and environmental considerations are obsolete for Azerbaijan’s rapidly expanding economy.

It is imperative to accompany economic policies with intentional investments targeting pivotal development concerns, specifically economic diversification, green growth, and fostering equality and inclusion. Azerbaijan places paramount importance on creating opportunities for inclusive and sustainable economic growth that benefits all, adhering to the principle of ‘leaving no one behind.’ Our nation has consistently demonstrated a resolute commitment to transitioning to sustainable development, aligning our national development strategy with the Sustainable Development Goals (SDGs).

Synthesis of Insights:

Lessons Learned from Three Presented Voluntary National Reviews (VNRs)

This section involves analyzing and synthesizing the key insights and lessons learned from three Voluntary National Reviews (VNRs) that have been presented. The goal is to distill valuable information and best practices from these reviews, enabling a deeper understanding of the successes, challenges, and strategies employed...
by the Republic of Azerbaijan in its pursuit of Sustainable Development Goals (SDGs).

**Methodology and Process for Preparation of the Voluntary National Review (VNR)**
Focused on the procedural aspects, this section explores the methodology and process employed in the preparation of the Voluntary National Review (VNR). It delves into the systematic approach, criteria, and steps undertaken to compile and present a comprehensive report on the country’s progress toward achieving SDGs.

**Ensuring Policy Coherence for Sustainable Development**
This section emphasizes the critical aspect of aligning policies to ensure coherence in achieving sustainable development goals. It investigates how Azerbaijan is navigating the complexities of coordinating diverse policies across sectors to harmonize efforts and maximize impact on sustainable development.

**Azerbaijan 2030: National Priorities for Socio-Economic Development**
Focused on the national landscape, this section examines Azerbaijan’s 2030 vision by exploring the identified priorities for socio-economic development. It provides insights into the strategic goals and initiatives that guide the country’s overarching development agenda.

**Strategic Alliance Architect: Strengthening the Partnership for Sustainable Development Goals (SDGs) Implementation**
This section explores Azerbaijan’s role as a strategic alliance architect in strengthening partnerships for SDGs implementation. It investigates the collaborative efforts with international organizations, stakeholders, and other nations to enhance the effectiveness of sustainable development initiatives.

**High-level Dialogues on Sustainable Development Goals (SDGs)**
This section involves an examination of high-level dialogues dedicated to SDGs. It explores how Azerbaijan engages in meaningful discussions at the global level, fostering dialogue on sustainable development and contributing its perspectives to the international discourse.

**Sustainable Development Goals Financing Mechanism**
Focusing on the financial aspect, this section delves into the mechanisms and strategies Azerbaijan employs for financing Sustainable Development Goals. It explores funding sources, investment frameworks, and financial instruments used to support the country’s sustainable development initiatives.

**Assessment of Economic, Social, and Environmental Dimensions at the Midpoint of 2030**
This section assesses the progress made in the economic, social, and environmental dimensions halfway through the timeline of the 2030 Agenda. It provides a comprehensive evaluation of achievements, challenges, and future directions in these critical areas.

**Advancements and Milestones in Thematic Goals Progress**
Concentrating on specific thematic goals, this section offers a detailed overview of Azerbaijan’s advancements and milestones in progressing towards identified SDGs. It provides a focused analysis of achievements within key thematic areas.

**Perspectives and Challenges on Further Trajectories for the Progress**
This final section explores the perspectives and challenges Azerbaijan faces as it contemplates future trajectories for progress. It involves a forward-looking analysis, considering emerging challenges and potential pathways to sustain and accelerate the nation’s progress towards SDGs.
1.2. SYNTHESIS OF INSIGHTS: LESSONS LEARNED FROM THREE PRESENTED VOLUNTARY NATIONAL REVIEWS (VNRS)

Special insights of Three Presented Voluntary National Reviews (VNRs)

On 25-27 September 2015, the Republic of Azerbaijan, in alignment with 192 other UN Member States, formally endorsed the 2030 Agenda for Sustainable Development during the UN Sustainable Development Summit in New York. This marked the commencement of the nation’s dedicated efforts towards the implementation of the Sustainable Development Goals (SDGs). The strategic introduction of timeframes and the application of a result-oriented approach instill confidence in the transformative potential of the SDGs for global development.

The anticipated impact of the SDGs extends to the enhancement of living standards for billions of individuals worldwide. This transformative potential is realized through the adaptation of SDGs to local conditions, establishing a vital link with the pertinent national policies of governments. By concentrating on a well-defined set of measurable targets, the SDGs serve as a framework to mobilize public and private financing for catalytic SDG investments, enhancing the efficiency and effectiveness of the investments. This precision allows for the coordination of global and national priorities, facilitating the mobilization of concerted efforts towards these priorities and ultimately achieving significant, tangible results. The SDGs, thus, emerge as a pivotal framework guiding international and national endeavors towards sustainable development, with the potential to bring about positive change on a global scale.

The comprehensive analyses conducted in this domain attest to the Republic of Azerbaijan’s commendable track record in implementing effective policies aligned with the Millennium Development Goals (MDGs) over the preceding period. This commitment is exemplified through the adoption and implementation of targeted policy frameworks, notably the State Programme on Poverty Reduction and Economic Development for 2003-2005 (SP-PRED) and The State Programme on Poverty Reduction and Sustainable Development for 2008-2015 (SPPRSD). Additionally, a suite of state programs addressing socio-economic development at regional, urban, and suburban levels, along with specific initiatives tailored to the MDGs, underlines Azerbaijan’s strategic approach. Integral to this success is the implementation of vital reforms across pertinent sectors, accompanied by a robust legislative framework encompassing laws and regulatory acts addressing fundamental aspects such as the cost of living, targeted social assistance, social benefits, pensions, and more. Concurrently, new institutional mechanisms have been established to fortify the efficacy of these endeavors.

The confluence of accelerated economic growth and far-reaching institutional reforms, focusing on enhanced public administration, health, education, and social protection, has propelled Azerbaijan to significant improvements in global ratings. This reflects the nation’s substantial progress in achieving MDGs and advancing a broader national development agenda. Noteworthy achievements include the substantial reduction of poverty from 49.0% in 2001 to 7.6% in 2011, further plummeting to 4.9% in 2015. Azerbaijan’s commendable food security, comparable to developed nations, is evidenced by malnutrition affecting less than 5% of the population. The recognition of Azerbaijan’s outstanding accomplishments in
MDG implementation culminated in the prestigious 2015 South-South Award. The nation has consistently maintained a position among countries with high human development since 2010, with the 2015 Human Development Index surpassing the regional average of 0.759 for Europe and Central Asia. The successful implementation of oil-boom-driven development strategies, coupled with MDG milestones, has positioned Azerbaijan to transition into a more extended-term development agenda. The visionary “Azerbaijan-2020” articulated by the President in 2012, envisions the nation as a hub where incomes are high, unemployment is minimized, human capital is highly developed, the environment is safeguarded, and every citizen enjoys extensive opportunities. Rooted in the core tenets of sustainable development, this Vision encapsulates enduring national aspirations, goals, and the primary challenges on the path toward their realization.

**Azerbaijan is fully committed to 2030 Agenda for Sustainable Development.** Buoyed by the resounding success achieved, Azerbaijan has not only embraced but staunchly committed to placing sustainable development at the forefront of the 2030 Agenda for Sustainable Development Goals. Within this overarching framework, achieving inclusive and resilient growth and ensuring sustainable development necessitate a strategic shift from an oil-dependent economy to one that is more diversified. This transformative journey involves persistent investments in human development and the establishment of robust connectivity to regional and global markets, thereby unlocking Azerbaijan’s full export potential.

In response to existing and emerging externalities, a pivotal development unfolded with the issuance of a Presidential Decree in 2016, introducing 12 Strategic Road Maps. These roadmaps articulate policy measures meticulously designed to recalibrate the economy by championing the growth of new, high-end sectors. The envisioned structural adjustments encompass a deliberate emphasis on:
- Fostering higher growth in the non-tradable sector over the tradable sector;
- Prioritizing processing over production;
- Amplifying the role of private enterprise in contrast to public ventures;
- Promoting high-technology-intensive sectors vis-a-vis low-technology-intensive sectors;
- Cultivating sectors reliant on highly qualified labor as opposed to low-qualified labor;
- Prioritizing high-return markets over low-return markets; and
- Accentuating high-value-added generating sectors over their low-value-added counterparts.

This strategic roadmap underscores Azerbaijan’s proactive stance in navigating the evolving economic landscape, strategically aligning itself with the imperatives of sustainable development. The commitment to diversification and innovation, as outlined in these roadmaps, positions Azerbaijan on a trajectory that not only adapts to global shifts but also actively shapes a sustainable and inclusive future for the nation.

As the Government embarks on an ambitious structural reform programs in the forthcoming years, it recognizes the Sustainable Development Goals (SDGs) as a comprehensive framework that offers an integrated approach to development, complementing and reinforcing the Strategic Road Maps.

To institute an integrated approach for the 2030 Agenda for Sustainable Development, the National Coordination Council for Sustainable Development (NCCSD) was established through a Presidential decree, with its secretar-
iat housed within the Ministry of Economy. The NCCSD, endowed with full authority, is tasked with core functions that encompass:

- Ensuring broad-based and inclusive stakeholder participation;
- Translating global sustainable development goals, targets, and indicators into the national context;
- Identifying national priorities and sustainable development gaps;
- Articulating inclusive and rights-based national strategies and policies;
- Coordinating and fostering collaboration among various government agencies and ministries;
- Ensuring coherence among development partners to align with national priorities;
- Designing a national reporting and review framework, linked to regional and global reviews; and,
- Identifying needs and opportunities for capacity development.

This institutional framework underscores Azerbaijan’s commitment to a comprehensive, inclusive, and effective approach in realizing the SDGs and advancing sustainable development at the national level.

To fortify the National Coordination Council for Sustainable Development (NCCSD) in its dual role of nationalizing Sustainable Development Goals (SDGs) and overseeing the implementation of associated programs and plans, the government has established four Thematic Working Groups: Economic Growth and Decent Jobs, Social Development, Environmental Issues, and Monitoring and Evaluation.

The oversight and facilitation of all national and international reviews concerning the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) are under the purview of the National Coordination Council on Sustainable Development, representing the Government. This process is further strengthened by the collaborative support of working groups and, when necessary, international organizations such as the United Nations (UN). This comprehensive framework ensures a strategic and coordinated approach to the assessment and reporting of Azerbaijan’s progress in realizing the SDGs, aligning with the nation’s commitment to transparent and accountable sustainable development practices. The synthesis of insights gleaned from Azerbaijan’s three presented Voluntary National Reviews (VNRs) provides a comprehensive overview of the nation’s progress, challenges encountered, and strategic adaptations made in pursuit of 2030 Agenda for Sustainable Development and the Sustainable Development Goals. As Azerbaijan delves into the key lessons learned from these reviews, a nuanced understanding emerges, offering valuable insights for both Azerbaijan and the broader international community.

**The 1st VNR: Eradicating Poverty and Promoting Prosperity**

The First Voluntary National Review (VNR) of the Republic of Azerbaijan, submitted in 2017, meticulously outlined the initial conditions and advancements made towards the Sustainable Development Goals (SDGs) within the Republic of Azerbaijan. This comprehensive assessment encapsulated not only the accomplishments of the Millennium Development Goals (MDGs) but also underscored the alignment of sustainable development issues with the country’s overarching development agenda. The report addressed the principal challenges faced, identified hurdles encountered, and delineated a forward-looking trajectory.

In the First VNR, Azerbaijan showcased praiseworthy endeavors in its commitment to poverty eradication and the promotion of prosperity amid the dynamic backdrop of a rapidly
changing global landscape. Notably, Azerbai-
jan’s dedication to fostering inclusive economic
growth was evident through targeted policies
designed to uplift marginalized communities.
However, the insights gleaned from this expe-
rience emphasize the imperative of continuous
adaptation to evolving socio-economic dynam-
ics and underscore the ongoing commitment to
addressing persistent challenges, particularly
in ensuring the equitable distribution of wealth.
The meticulous First Voluntary National Report
of Azerbaijan, assessing the status and prog-
ress of each of the 17 goals and 169 targets in
the State of Azerbaijan for the year 2017, doc-
umented in-depth the strategies in place, the
notable achievements, and the existing chal-
genes. This inaugural VNR serves as a sub-
stantive and pivotal baseline for subsequent
reports, including the current Fourth VNR
(2024). It represents a foundational milestone,
offering critical insights that inform ongoing na-
tional strategies and further endeavors towards
sustainable development in Azerbaijan.

The 2nd VNR: Empowering People and
Ensuring Inclusiveness and Equality
Building on the First VNR, The Second VNR
(2019) delved into the theme of empowering
people and ensuring inclusiveness and equa-
liety. The lessons learned underscore the impor-
tance of sustained efforts to bridge existing
gaps and the need for nuanced approaches to
cater to diverse populations. Notably, the Sec-
ond VNR of Azerbaijan submitted in the year of
2019 highlighted the significance of community
engagement and the empowerment of vulner-
able groups for a truly inclusive development
trajectory.

The Second Voluntary National Review (VNR)
of Azerbaijan centered on elucidating the
proactive measures taken within the Republic
of Azerbaijan to advance the Sustainable De-
velopment Goals (SDGs). The report expounds
upon how the government responded strategi-
cally to the interlinked and indivisible nature of
the SDGs, emphasizing the critical concept of
“Leaving no one behind.” It serves as a com-
prehensive repository, detailing best practices,
lessons learned, implementation tools, interna-
tional partnerships forged, emerging challeng-
es, and the innovative strategies employed to address these challenges, along with outlining future steps.

Specifically, in this second international review on SDGs, Azerbaijan officially declared the nationalization of SDGs. The nation meticulously prioritized 17 SDG goals, 88 targets, and 119 indicators through collaborative efforts with public institutions. This prioritization was achieved through a consultative process involving engagements with civil society, the business community, youth representatives, and international organizations. The outcome of these consultations stands as a testament to Azerbaijan’s commitment to incorporating diverse perspectives and fostering inclusive decision-making processes in the pursuit of sustainable development objectives. The meticulous and inclusive approach to prioritizing SDG goals positions Azerbaijan strategically in its ongoing journey toward achieving a sustainable and equitable future.

Azerbaijan distinguished itself as a trailblazer in the region by being among the first countries to collaborate with the United Nations Mainstreaming, Acceleration, and Policy Support (MAPS) mission. This initiative was strategically designed to establish a roadmap, delineating concrete and decisive steps aimed at accelerating the implementation of Sustainable Development Goals (SDGs). In this framework, Azerbaijan, together with the MAPS mission led by UNDP, successfully identified key Sustainable Development Goal (SDG) accelerators. Specifically, the MAPS mission pinpointed Inclusive Labour Market, Green Growth Promotion, and Enhancing Public Services as primary accelerators, with Gender Equality, Youth Empowerment, Energy Efficiency, Social Protection, and Early Childhood Development serving as proxies for these accelerators. The outcomes of the MAPS mission, inclusive of assessments and results, received official endorsement from the government, establishing them as guiding documents for the planning and implementation of development programs aimed at achieving SDGs. The MAPS mission further delineated crucial preconditions for enhancing SDG mainstreaming, encompassing areas such as data and monitoring, financing, advocacy, communications, and partnerships. The MAPS mission resulted in the prioritization of key initiatives integral to the government’s agenda for SDG achievement, as follows:

- **Learnings from the MDGs Period:** Active transitioning from the MDGs to SDGs, addressing the “unfinished” business and establishing robust coordination, monitoring, and reporting mechanisms.
- **Budget Alignment with SDGs:** Undertaking a meticulous assessment of budget availability, aligning strategies with SDGs to ensure effective implementation.
- **Key National Development Priorities:** Strategically selecting several Key National Development Priorities to function as accelerators for SDGs, facilitating focused efforts towards their realization.

In tandem with the MAPS mission, the Food and Agriculture Organization (FAO) Office in Azerbaijan conducted a study titled “Supporting capacity development in implementing Sustainable Development Goals in Azerbaijan.”
This study, issued in alignment with FAO’s mandate, affirmed the Government of Azerbaijan’s effective efforts in nationalizing and adapting SDGs to the national development policy. The alignment rate of SDG targets within FAO’s mandate with existing state programs and strategic documents was reported at an impressive 80 percent (18 out of 23 targets). This underscored Azerbaijan’s commitment to strategic alignment and effective nationalization of SDGs within the country’s overarching development framework.

The 3rd VNR: Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social, and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development

In 2021, the Republic of Azerbaijan reached a pivotal milestone in aligning with the 2030 Agenda by unveiling a new development strategy extending to 2030, seamlessly harmonizing with the objectives outlined in the Agenda. Throughout the course of 2021, Azerbaijan continued to make significant strides in SDG achievement, garnering recognition by securing a position in the top 50 countries according to the UN 2022 Sustainable Development Report. Remarkably, Azerbaijan stands among the select group of 12 countries that presented three Voluntary National Reviews during the High-Level Political Forum conducted under the auspices of ECOSOC, showcasing the nation’s unwavering commitment to transparency and active participation in international discourse on sustainable development. The Third VNR, presented in 2021, focused on sustainable and resilient recovery from the COVID-19 pandemic, emphasizing economic, social, and environmental dimensions. Azerbaijan demonstrated agility in responding to the unprecedented challenges posed by the pandemic. The lessons learned underscore the necessity of building resilience across all sectors and the importance of a holistic, integrated approach to sustainable development that considers the interdependence of economic, social, and environmental factors. A prominent focus within the 2021 Voluntary National Review (VNR) revolved around the significant challenges posed by the global COVID-19 pandemic and the ensuing efforts to mitigate its impact. The pandemic inflicted widespread disruptions globally, profoundly affecting the implementation of the Sustainable Development Goals (SDGs) in Azerbaijan across key sectors such as economic growth, employment, healthcare, education, and tourism. The mandatory lockdowns initiated since the first quarter of 2020 naturally led to a negative economic impact, resulting in a 4.2% decrease in GDP in 2020. In response, the Government
of Azerbaijan swiftly approved support programs, allocating a substantial USD 2.7 billion in direct financial assistance throughout 2020. This effective intervention sets the stage for an anticipated recovery period in 2021-2022. In tandem with national measures, Azerbaijan demonstrated global solidarity by actively contributing to the global fight against COVID-19 through bilateral and multilateral programs, providing humanitarian aid and financial assistance to 33 countries. Simultaneously, robust initiatives were undertaken to transition towards efficient models of manufacturing and consumption. Notable achievements include maintaining a consistent level of hazardous waste generated per capita, augmenting the use of renewable energy generation capacity, expanding urgent actions to combat climate change and its impacts, and reinforcing control over the reduction of annual total greenhouse gas emissions. Beyond addressing the challenges posed by the pandemic, Azerbaijan continued to uphold commitments to SDGs, adhering to the following key principles:

**Engagement of Private Sector and Government Entities:**
Promotion of active involvement of the private sector and government entities in SDG-related activities, with a focus on awareness-raising, environmental regulation, and enhancing private sector finance for SDGs.

**Awareness-Raising Activities and Dialogues:**
Special emphasis on awareness-raising activities at all levels, organizing dialogues with various societal segments at the national and regional levels.

**Development and Diversification of Non-Oil Sector:**
Efforts to increase the development and diversification of the non-oil sector, bolstering innovation activity, enhancing export capacity, improving social services efficiency, and advancing the green economy.

**Mitigation Measures for Socio-Economic Challenges:**
Implementation of mitigation measures to
address socio-economic challenges posed by COVID-19 through effective institutional systems, infrastructure development, and close cooperation with the World Health Organization (WHO). The Government of Azerbaijan anticipates vital support from international partners for the planned activities in the aforementioned areas, encompassing direct financing mechanisms, knowledge sharing, building effective partnerships, overcoming existing challenges, and leveraging the Platform of National Importance to achieve SDGs by 2030. The third VNR of Azerbaijan also highlighted the resolution of the 28-year conflict between Armenia and Azerbaijan, which would open new economic opportunities not only for Azerbaijan but also for the entire region. The forthcoming years will witness the key dimension of the Republic of Azerbaijan’s development strategy focusing on the rehabilitation, reconstruction, and reintegration of its liberated and conflict-affected areas. This transformative approach aligns with broader regional economic prospects and sets the stage for sustainable development in the post-conflict landscape. The Third Voluntary National Review (VNR) of the Republic of Azerbaijan stands out through several distinctive features when compared to the VNRs submitted in 2017 and 2019. These key differentiators include:

**Post-Conflict Achievements**
A significant aspect involves the notable achievements stemming from the resolution of the conflict between Armenia and Azerbaijan. The liberation of territories from occupation has created new dynamics and opportunities, influencing the country’s developmental landscape.

**Enhanced UN Partnership**
A new phase partnership between Azerbaijan and the UN was entered into, through the finalization and signing of the UN Azerbaijan Sustainable Development Cooperation Framework 2021-2025, which was fully aligned with the 2030 Agenda. This strategic coherence ensures a more integrated and impactful approach towards achieving Sustainable Development Goals (SDGs).

**Improved Statistical Framework**
Notable enhancements were made to the statistical framework, fostering increased monitoring capabilities for assessing progress on SDG indicators. This refined framework enhanced the accuracy and depth of the data-driven evaluation process.

**Response to COVID-19 Pandemic**
The VNR incorporated a detailed exploration of the challenges posed by the COVID-19 pandemic. It not only addressed the impediments introduced by the pandemic but also outlined the robust measures taken to mitigate its impact and actively drive the recovery process.

These distinguishing features collectively underscored Azerbaijan’s commitment to adaptability, collaboration, and resilience in the pursuit of sustainable development goals, reflecting an evolving and dynamic national trajectory.

**Cross-Cutting Insights of the Submitted three VNRs**
The sequence of Voluntary National Reviews (VNRs) undertaken by Azerbaijan from 2017 to 2021 provides a comprehensive narrative of the country’s dynamic journey towards achieving the Sustainable Development Goals (SDGs). A cross-cutting analysis reveals several overarching insights that highlight Azerbaijan’s strategic and adaptive approach to sustainable development.
1. Evolving Priorities and Responsive Policies:
Azerbaijan’s VNRs reflect a consistent evolution in priorities, aligning with global shifts and local exigencies. The initial focus on eradicating poverty and promoting prosperity broadened to empowering people and ensuring inclusiveness and equality, and eventually addressing the challenges posed by the COVID-19 pandemic. The government’s ability to adapt policies to address emerging issues demonstrates a keen responsiveness to dynamic socio-economic landscapes.

2. Inclusive Decision-Making and Stakeholder Engagement:
A notable aspect across all VNRs is Azerbaijan’s commitment to inclusive decision-making. The engagement of civil society, the business community, youth, and international organizations in the prioritization of SDGs emphasizes a collaborative and participatory approach. This inclusive stance contributes to the richness of perspectives considered in national strategies.

3. Integration of Post-Conflict Recovery into Development Planning:
The resolution of the 28-year conflict with Armenia emerges as a pivotal theme in the Third VNR. Azerbaijan strategically integrates the rehabilitation, reconstruction, and reintegration of liberated areas into its national development strategy, ensuring coherence across the Humanitarian-Development-Peace (HDP) nexus. This not only showcases the country’s commitment to regional stability but also recognizes the transformative impact of conflict resolution on broader economic prospects.

4. Strategic Engagement with Multilateral Institutions:
Azerbaijan’s active involvement in initiatives like the MAPS mission and collaboration with multilateral organizations such as the United Nations - including UNDP and FAO - underscores the country’s strategic engagement with international partners as well as commitment to multilateralism. These engagements provide Azerbaijan with frameworks, accelerators, and recommendations that enhance the effectiveness of national strategies in achieving SDGs.

5. Resilience in the Face of Global Challenges:
The detailed response to the COVID-19 pandemic in the 2021 VNR exemplifies Azerbaijan’s resilience. The government’s swift and substantial support programs, both nationally and globally, showcase a commitment to mitigating the pandemic’s socio-economic impact. The integration of pandemic response with ongoing SDG commitments reflects a holistic understanding of the interconnected nature of economic, social, and environmental dimensions.

6. Progress Monitoring and Institutional Strengthening:
Over the series of VNRs, Azerbaijan consistently emphasizes the importance of data-driven decision-making and progress monitoring. The establishment of the National Coordination Council on Sustainable Development and Thematic Working Groups, coupled with improvements in the statistical framework, highlights a commitment to institutional strengthening for effective SDG implementation. Azerbaijan’s VNRs collectively depict a nation navigating the complexities of sustainable development with adaptability, inclusivity, and strategic foresight. The insights gleaned from these reports not only contribute to Azerbaijan’s ongoing national strategies but also provide valuable lessons for the global community in navigating the evolving landscape of sustainable development.
1.3. NATIONAL SDG 18: MINE ACTION

One of the primary obstacles to achieving the Sustainable Development Goals (SDGs) is the pervasive issue of landmines, which hinders global efforts to ensure international peace and prosperity. Due to Armenia’s 30-year military aggression against Azerbaijan, the latter is among the most mine-polluted countries in the world. This problem affects a significant portion of Azerbaijan’s territory, directly impacting the life, health, and well-being of over a million citizens. Landmines jeopardize security, restrict access to resources, damage infrastructure, and harm the environment, thereby impeding post-conflict recovery and sustainable peace efforts. Consequently, addressing the landmine issue is crucial for the implementation of the SDGs in Azerbaijan.

To tackle this problem, Azerbaijan is undertaking significant steps both nationally and internationally.

**National Efforts**

At the national level, efforts are concentrated on clearing landmines and unexploded ordnance left from the Armenian occupation. To
ensure a systematic approach, the Government of Azerbaijan has established a Working Group on Demining and Unexploded Ordnance Clearance within the Interdepartmental Center of the Coordination Headquarters. This group ensures inter-agency coordination, with the Ministry of Foreign Affairs playing a vital role. The Ministry of Foreign Affairs focuses on highlighting Armenia’s human rights violations related to landmine contamination, urging Armenia to fulfill its international legal obligations, and securing foreign aid for mine clearance. Diplomatic efforts with the UN and other international partners have led to the acquisition of some mine maps from Armenia, and ongoing efforts aim to obtain complete cooperation. Given the scale of the landmine problem, Azerbaijan is actively seeking foreign donor support. So far, the country has received $11.5 million in financial assistance, with commitments of €1.5 million from Italy and $3 million from Saudi Arabia in 2023. Despite these contributions, the resources required to address the issue are substantial. From 2021 to 2023, Government of Azerbaijan allocated a total of $248 million for demining activities. Additionally, Azerbaijan prepares and distributes quarterly reports on “Needs and Priorities in the Field of Demining” to foreign countries, international organizations, and partners to keep the global community informed about the mine problem in the country.

International Contributions and Initiatives
Azerbaijan supports global efforts to address landmine issues within its available resources. The country actively participates in international dialogues on mine action and has initiated several global processes. Within the Non-Aligned Movement, Azerbai-
“Azerbaijan is currently considering setting a particular national Sustainable Development Goal”

H.E. Ilham Aliyev
President of the Republic of Azerbaijan

The Summit-level Meeting of the NAM Contact Group in response to COVID-19 on post-pandemic global recovery, 02 March 2023, Baku
Azerbaijan has emphasized the connection between landmines and sustainable development. As a result, the movement adopted a decision to establish the “Contact Group on Consultation and Practical Cooperation in Humanitarian Demining and Related Issues” based on Azerbaijan’s initiative during its Ministerial-level meeting on July 6, 2023. The first meeting of this Contact Group was held in New York City in September 2023, where the main directions of its future activities were outlined.

These initiatives contribute to the implementation of the SDGs, particularly goals 1 (No Poverty), 2 (Zero Hunger), 3 (Good Health and Well-Being), 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 11 (Sustainable Cities and Communities), and 17 (Partnerships for the Goals). By addressing the landmine problem, Azerbaijan aims to foster a safer, more prosperous and sustainable future for its citizens and the global community.

Another significant initiative by Azerbaijan, contributing to global efforts, is the annual Baku conferences dedicated to mine issues, with a special emphasis on sustainable development. These conferences are held in collaboration with the UN Development Program. The first international Baku conference on “Humanitarian Demining Activities and Sustainable Development Goals” took place from March 30 to April 1, 2022. The second international conference, “Combating the Mine Threat - The Path to Sustainable Development,” was held in Baku and Aghdam from May 24 to 26, 2023.


As a country significantly affected by landmine contamination, Azerbaijan is committed to uniting global efforts towards a world free from the threat of landmines, ensuring a green tomorrow for future generations.

The main objective of the 3rd International Conference on Mine Action was to demonstrate the landmine problem facing Azerbaijan, strengthen the international partnership in the field of humanitarian demining, and discuss ways of mobilizing financial resources for mitigating environmental impact of landmines and other explosive remnants of war.

Attended by over 300 delegates from 75 Non-Aligned Movement member states to embrace this effort.

H.E. Ilham Aliyev, President of the Republic of Azerbaijan

From the speech of the Non-Aligned Movement in Baku at the Summit of NAM Contact Group on fight against COVID-19

March 2, 2023.
countries, including high-ranking officials from various nations, UN headquarters leadership, representatives from influential international organizations, demining institutions, and diplomatic corps accredited in Azerbaijan, the conference served as a nexus for constructive dialogue and collaboration.

Key discussions centered on panel topics such as “Building National Capacities for Sustainable Environmental Rehabilitation,” “Resource Mobilization for a Safe and Green Future and Inclusive Transformation through Mine Action,” and “Policy Integration and Advocacy for Green Sustainable Development.”

Subsequently, the conference participants unanimously adopted a Declaration, which was eloquently presented by Steinar Essen, Global Mine Action and Development Advisor at the United Nations Development Programme, underscoring their collective commitment to addressing the multifaceted challenges posed by landmines and fostering a safer, greener, and more inclusive world.

Additionally, Azerbaijan adheres to several existing international mechanisms to address the landmine problem. These include the Convention on the Prohibition of the Use, Stockpiling, Production, and Transfer of Anti-Personnel Mines and on Their Destruction (Ottawa Convention), the Convention on Certain Conventional Weapons (CCW), and the Convention on Cluster Munitions. Azerbaijan is also engaged in dialogue with other international partners, including the European Union, NATO, UNESCO, and leading NGOs such as the International Campaign to Ban Landmines (ICBL).

In 2023, Azerbaijan successfully brought the issue of the impact of mines on cultural heritage to the international agenda. During the 15th meeting of the States Parties to the 1954 Hague Convention on the Protection of Cultural Property in the Event of Armed Conflict, held at UNESCO headquarters on December 11, 2023, Azerbaijan’s draft resolution on the “Impact of Mines on Cultural Heritage” was unanimously accepted and included in the meeting’s agenda.

Azerbaijan ranks among the countries most affected by mine and unexploded ordnance contamination globally, a consequence of Armenia’s deliberate policy. In 2020, Azerbaijan successfully put an end to Armenia’s occupation of its lands, achieving a historic victory in a 44-day Patriotic War. Following Armenia’s 30-year-long aggression, over 1 million Azerbaijanis were forcibly expelled from their native lands, experiencing ethnic cleansing. Cities and villages were razed, and the historical, cultural, and religious heritage of our people deliberately annihilated. Initial estimates suggest that Armenia, during its occupation, planted over 1.5 million mines across our territories. Since the conclusion of the Second Karabakh War, 302 Azerbaijani citizens have fallen victim to mine explosions, with 57 fatalities and 245 severe injuries. In total,

Azerbaijan is sadly among the top 5 most heavily mine-contaminated countries in the world with 1.5 million landmines planted across 12% of national territory. Landmines pose severe human security risk even after war.

Elnur Aslanov, Representative of the President of the Republic of Azerbaijan on special assignments


May 31, 2024.
nearly 3,400 of our fellow citizens have suffered from mines since Armenia’s initiation of military aggression, resulting in 587 fatalities. Among the victims, 358 were children, and 30 were women. Mines, strategically placed along roads, former lines of contact, cemeteries, and civilian installations by Armenia, continue to pose a daily threat, akin to the horror of weapons of mass destruction. To facilitate the voluntary, secure, and dignified return of our displaced citizens, extensive development work is underway in the liberated territories. The reconstruction of destroyed infrastructure and the construction of cities and villages in Karabakh and East Zangezur, declared as green energy zones, are ongoing. Recognizing the critical role of humanitarian demining as a prerequisite for sustainable development, Azerbaijan adopted a national Sustainable Development Goal (SDG) 18: Action on Demining for safe settlement and reintegration.

There is a direct correlation between SDGs and demining, as mines impede the reconstruction process in liberated territories and the return of internally displaced persons. Azerbaijan actively advocates for other mine-affected countries to also adopt SDG 18 on demining and extended an invitation to NAM countries to support the initiative.

The endeavor to reshape our global landscape entails the pursuit of 17 Sustainable Development Goals comprising 169 targets. The impetus to incorporate a new goal into the 2030 Agenda for Sustainable Development arose from the contemporary challenges deliberated upon during the “Non-Aligned Movement to COVID-19” conference convened in Baku on March 2, 2023.

This visionary proposal was eloquently presented by His Excellency Mr. Ilham Aliyev, the President of the Republic of Azerbaijan, at the Summit of the Contact Group on the fight against COVID-19. The 2030 Agenda, as outlined in its preamble, serves as a comprehensive roadmap for fostering progress across people and the planet. Additionally, it aspires to strengthen global peace within the broader framework of liberty. It underscores the intrinsic connection between peace and sustainable development, emphasizing that one cannot exist without the other. In essence, sustainable development and peace are mutually reinforcing, forming the cornerstone of the 2030 Agenda.

The Agenda, encompassing the elements outlined above, is expressly focused on ensuring a clean, healthy, and prosperous environment for the people it serves. During the occupation of Azerbaijani land by Armenia, a multitude of dense and double mines, mines rigged with trap wires, and explosive devices were strategically placed beneath multiple layers. Presently, determining the exact quantity of remaining mines and explosive ordnance in the liberated regions proves challenging. Demining and monitoring activities have revealed alarming statistics, with as many as eight mines discovered within a single square meter. This suggests an initial count of mines and unexploded ordnance in the liberated areas significantly exceeding projections. This scenario in Azerbaijan mirrors the global challenge faced by over 70 countries where mines have been strategically deployed. The widespread placement of mines poses a severe threat to the economies of these nations and jeopardizes the safety and habitation of their populations.

Recognizing the significance of this matter at local, regional, and international levels, mine-affected countries may consider adopting a national 18th Sustainable Development Goal on mine action, as Azerbaijan has done. The national SDG 18 on mine action adopted by Azerbaijan include corresponding five targets and eleven indicators, which are listed below.
<table>
<thead>
<tr>
<th>Targets</th>
<th>Indicator</th>
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<tr>
<td>18.1. Clearing the areas of mines and unexploded ordnance, ensuring peace and security;</td>
<td>18.1.1. Neutralized in liberated territories: a) the number of mines (in the division of anti-tank and anti-personnel mines); b) number of other explosives;</td>
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<td>18.1.2. Areas cleared of mines and other unexploded ordnance in liberated territories (by hectares) and their proportion to the total territory of the country (by percentage);</td>
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<td>18.2. Allocation of funds to clear areas of landmines and other explosive munitions;</td>
<td>18.2.1. To clear areas of mines and other explosive munitions: a) the amount of funds allocated from the state budget (in national currency and US dollars); b) the ratio of funds allocated from the state budget to budget expenditures (by percentage);</td>
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<td>18.2.2. The total amount of funds raised from donor organizations (in national currency and US dollars) for clearing of mines and other explosive munitions;</td>
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<td>18.3. Creation of safe settlement conditions in the liberated territories and reintegration of the population</td>
<td>18.3.1. The number of rebuilt settlements in the liberated territories;</td>
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<td>18.3.2. The population in the rebuilt settlements in the liberated territories: a) the number (by residential distribution); b) by the proportion to the number of total population of the country (by age, sex);</td>
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<td>18.3.3. The number of employed population in the liberated territories (by age, sex);</td>
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<td>18.3.3.1. the permanent settled population;</td>
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<td>18.3.3.2. the temporary settled population</td>
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<td>18.3.4. Number of people covered by Mine and Other Explosive Ordnance Awareness (MED) activities</td>
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<td>18.4. Involvement of land cleared from mines and other explosives into agricultural circulation;</td>
<td>18.4.1. Areas involved in agricultural circulation in territories cleared of mines and other explosive munitions (hectares);</td>
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<td>18.5. Strengthening the medical-social rehabilitation and social protection of the population affected by mines and other explosive munitions;</td>
<td>18.5.1. Damaged by mines and other explosive munitions: a) the military personnel, those involved in demining activities; b) the number of civilians involved in demining activities (by age and gender)</td>
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<td>18.5.1.1. Died people</td>
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<td>18.5.1.2. Injured people;</td>
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<td>18.5.1.2.1. Disabled people;</td>
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<td>18.5.1.3. Others;</td>
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<td></td>
<td>18.5.2. Number of persons affected by landmines and other explosive ordnance covered by social protection programs;</td>
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<td>18.5.3. The amount of social payments (in national currency and US dollars) made in relation to the victims of mines and other explosive munitions;</td>
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<td>18.5.4. Treatment costs of persons injured by mines and other explosive munitions (in national currency and US dollars);</td>
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<td>18.5.5. Medical social rehabilitation cost of persons injured by mines and other explosive munitions (in national currency and US dollars);</td>
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<td>18.5.6. The total amount of funds spent for social protection of the population affected by mines and other explosive munitions (in national currency and US dollars);</td>
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Female deminer in demining operations in the liberated territories of Azerbaijan
2. METHODOLOGY AND PROCESS FOR PREPARATION OF THE VOLUNTARY NATIONAL REVIEW (VNR)
The fourth VNR process is spearheaded by the National Coordination Council on Sustainable Development and the Ministry of Economy. This collaborative effort involves extensive consultations with a diverse array of stakeholders, including parliament, line ministries, public institutions, NGOs, the private sector, and academic institutions. The preparation of the Fourth Voluntary National Review adheres to the “Proposal for voluntary common reporting guidelines for voluntary national reviews at the high-level political forum” and other guiding documents. In line with these resources, the overall structure of the review and the content of its key sections are defined as follows:

- Foreword
- Executive Summary and Key points

1. Introduction and Special highlight
   1.1. Context and Objectives
   1.2. Synthesis of Insights: Lessons Learned from Three Presented Voluntary National Reviews (VNRs)
   1.3. National SDG 18: Mine Action

2. Methodology and process for preparation of the Voluntary National Review (VNR)

3. Ensuring Policy Coherence for Sustainable Development
   3.1. National ownership of SDGs
   3.2. Policy Integration for SDGs
   3.3. Azerbaijan 2030: National Priorities for Socio-Economic Development

4. Assessment of Economic, Social, and Environmental Dimensions at the Midpoint of 2030

5. Strategic Alliance Architect: Strengthening the partnership for Sustainable Development Goals (SDGs) Implementation

5.1. National level partnership: High-level Dialogues on Sustainable Development Goals (SDGs)

5.2. International level partnership

6. Sustainable Development Goals Financing Mechanism
   6.1. Funding Strategies and Mechanisms
   6.2. Financial Innovation for SDGs

7. Advancements and Milestones in Thematic Goals Progress

8. Perspectives and challenges on further trajectories for the progress

The initial phase of formulating and drafting the VNR involved the meticulous development of a plan and methodology. This foundational process drew inspiration from exemplary practices identified through the expertise of the NCCSD Secretariat. The plan and methodology were meticulously crafted to align with the thematic plan and requirements outlined by the UN High-Level Political Forum.

To initiate the review’s formulation, stakeholders were formally requested, via written communication, to provide information on achievements in implementing actions on Sustainable Development Goals (SDGs) derived from the 2030 Agenda. The subsequent crafting of the review was shaped by the information and data received from line ministries, as well as other government agencies, facilitated by the NCCSD Secretariat.

Ensuring the reliability of the database
The review’s database is meticulously constructed, primarily using inputs from stakeholders, especially Government agencies. It integrates data from the National Information Portal (NIP) on SDGs, which is managed by the State Statistics Committee with support from UNDP, as well as the annual statistical report on SDGs provided by the State Statistics Com-
mittee. These portals serve as interactive tools that aggregate SDG-related information from designated government agencies. They aim to meet the information needs at both national and international levels, enabling a comprehensive tracking of progress towards the SDGs in the Republic of Azerbaijan.

To ensure the reliability of the data utilized in the review, formal letters were sent to stakeholders, including government organizations and other line agencies. The official responses received from these stakeholders further reinforced the credibility of the data.

Additionally, various verification methods were employed to ensure the reliability and accuracy of both administrative and statistical data collected during the preparation of the Fourth Voluntary National Review.

Main challenges in the Preparation Process:
While considerable enhancements have been made to the statistical framework for the Fourth Voluntary National Review (VNR) in comparison to those submitted in 2021 and 2024, challenges persist within the statistical database. Specifically, the available data lacks disaggregation by critical factors such as gender, age group, place of residence (rural/urban), and region/administrative district. This limitation constrains a comprehensive scope of analysis, assessment, and findings within the review. It is imperative to recognize that addressing these challenges is pivotal for strengthening the thoroughness of future assessments.
3. ENSURING POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT
3.1. NATIONAL OWNERSHIP OF SDGS

The Government of Azerbaijan has effectively pursued its policy of integrating the Sustainable Development Goals (SDGs) into the national development agenda spanning from 2021 to 2023. Notably, the primary impetus for this nationalization, drawing on global best practices, has been the orchestration of awareness-raising initiatives to ensure the active participation of all segments of society, aligning with the fundamental principle of “Leaving No One Behind.”

At the core of the 2030 Agenda lies the overarching objective of fostering global collaboration for sustainable development, achieved through robust multilateral partnerships. The emphasis is on mobilizing and exchanging knowledge, experiences, technology, and financial resources to realize the SDGs universally, with a special focus on developing nations. To this end, a series of comprehensive awareness-raising activities have been executed between 2021 and 2023, strategically harmonizing the SDGs with the distinctive priorities of the nation.

This steadfast commitment underscores Azerbaijan’s dedication to the principles of the 2030 Agenda, fostering an environment of collaboration and shared responsibility in the pursuit of sustainable development. The alignment of SDGs with national priorities reflects a strategic approach, ensuring that the broader objectives of the global agenda resonate effectively with Azerbaijan’s unique developmental landscape. The ongoing success of these endeavors not only reinforces the country’s commitment to sustainable development but also positions it as an active participant in the global pursuit of a more inclusive and equitable future.
Building upon the significant challenges faced in preceding years, notably the impact of COVID-19, the Government of Azerbaijan, in collaboration with the National Coordination Council on Sustainable Development and the Ministry of Economy, partnered with the United Nations Baku office to orchestrate the conference themed “Financing Sustainable Development: Sustainable and Green Recovery from the COVID-19 Pandemic.” This collaborative effort was dedicated to addressing the critical aspects of financing the Sustainable Development Goals (SDGs) and catalyzing private investments aligned with these goals. The conference delved into several pivotal areas, including:

- **Issues of Sustainable Development Financing:** A comprehensive exploration of financial mechanisms aimed at sustaining and advancing the SDGs, particularly in the aftermath of the COVID-19 pandemic.

- **New Challenges for the Implementation of Development Priorities in the Post-pandemic Period in Azerbaijan:** An in-depth analysis of the evolving landscape and novel challenges that have emerged, necessitating strategic adjustments for the continued pursuit of development priorities.

- **Opportunities to Promote Environmentally Sustainable Practices for Economic Stability:** A focused examination of opportunities to bolster economic stability through the promotion of “green” sources, thereby ensuring environmental sustainability.

- **Ways to Achieve Sustainable Development Goals:** Strategic discussions centered around identifying and implementing effective pathways to attain the objectives outlined in the Sustainable Development Goals, recognizing the interconnectedness of economic, social, and environmental dimensions.

This collaborative initiative reflects a concerted effort to navigate the complexities brought about by the global pandemic and chart a course towards a sustainable and resilient future. By addressing key issues in financing, acknowledging evolving challenges, and exploring opportunities for environmentally responsible economic practices, the conference contributes significantly to the ongoing dialogue on sustainable development in Azerbaijan.

A dedicated panel exploring the pivotal role of technological investments in sustainable development took center stage at the “Azerbaijan Investment and Culture Summit.” This noteworthy event, held in October 27-29 2021, was organized collaboratively by the Ministry of Economy of the Republic of Azerbaijan, the Ministry of Culture of the Republic of Azerbaijan, the Small and Medium Business Development Agency (KOBIA), and the Youth Forum of the Organization of Islamic Cooperation (ICYF). Attended by state officials representing member countries of the Organization of Islamic Cooperation, international organizations, the diplomatic corps, as well as a diverse array of participants including businessmen, investors, startups, and youth organizations from over 20 countries, the summit provided a dynamic platform for multifaceted discussions.

The distinguished panelists engaged in insightful conversations on various aspects, including the United Nations Sustainable Development Goals, human capital development, innovative approaches, and the contemporary utilization of technological means. Notably, discussions also encompassed themes such as cybersecurity, ensuring a comprehensive exploration of critical facets at the intersection of technol-
ogy and sustainable development. Throughout the session, panelists responded thoughtfully to participant queries, fostering an interactive and enriching dialogue that underscored the importance of technological investments in advancing sustainable development goals.

Throughout the preceding period, substantial strides have been made in the domestication of the Sustainable Development Goals (SDGs) by various institutions, including those constituting the National Coordinating Council for Sustainable Development. Notably, the Supreme Audit Institution of the Republic of Azerbaijan, namely the Accounting Chamber, has played a pivotal role in advancing this agenda.

Since 2019, the Accounting Chamber has been actively engaged in the “Sustainable Development Goals and Key Sustainable Development Indicators” Working Group of the INTOSAI (International Organization of Supreme Audit Institutions) organization. Within this collaborative framework, the Accounting Chamber has contributed significantly to the development of two guidelines in cooperation with Supreme Audit Institutions (SAI) from other countries. These guidelines, titled “Guidelines on the Development and Use of Key National Indicators” (GUID — 5290) and “Sustainable Development: The Role of Supreme Audit Institutions” (GUID — 5202), stand as testament to the institution’s commitment to shaping international best practices.

Simultaneously, a significant milestone was reached on February 2, 2021, with the establishment of the Efficiency Audit Department within the Accounting Chamber. The core objective of the Efficiency Audit Department is to meticulously assess the cost-effectiveness, efficiency, and overall effectiveness of various programs, projects, activities, operations, management practices, and information systems. Aligned with the trajectory of public finance management in our nation and drawing from the advanced practices of other Supreme Audit Institutions, the department’s primary focus is on evaluating the efficiency, cost-effectiveness, and effectiveness of activities. A key mandate of the department is to consistently conduct efficiency (performance) audits, intricately weaving in considerations for the Sustainable Development Goals.

This multifaceted approach underscores the Accounting Chamber’s commitment to not only nationalizing the SDGs but also fostering international collaboration through its involvement in INTOSAI. By establishing the Efficiency Audit Department and integrating SDGs into the fabric of its evaluations, the Accounting Chamber actively contributes to enhancing governance, transparency, and accountability in the pursuit of sustainable development objectives.

The key to successfully achieving the goals, targets, and indicators outlined in the 2030 Agenda for Sustainable Development lies in the realization of “SDG 17 (Partnership for the Goals).” The High-Level Political Forum for Sustainable Development convenes annually to assess the progress made by countries worldwide in fostering partnerships and to engage in discussions aimed at enhancing collaboration.

In the preceding period, significant strides were made in partnerships that contributed to the implementation of SDGs at both the local and international levels. Notably, institutions affiliated with the National Coordinating Council for Sustainable Development played a pivotal role in these successful endeavors. The partnerships formed in alignment with SDGs encompassed more than mere establishment or reinforcement of relations; they also involved collaborative awareness initiatives and the broadening of the shared SDG audience. In October 2022, the CBC channel launched a television program titled “UN-Azerbaijan:
Towards Sustainable Development” to delve into the joint SDG awareness project and the collaboration between the UN and Azerbaijan in advancing sustainable development goals. Each episode featured discussions with officials from both the UN and Azerbaijan, providing a comprehensive review of progress, achievements, and forthcoming objectives within specific fields.

Throughout the 2022 broadcasts, the program facilitated an exchange of perspectives between Azerbaijan and the UN on collaborative initiatives spanning education, health, agriculture, and other sectors. Noteworthy discussions included the outcomes of the inaugural dialogue on SDGs, focused on green transformation, Azerbaijan’s advancements in the SDG Index, and joint efforts pertaining to the Great Return Program. The program’s broadcast extended into 2023, sustaining its commitment to fostering dialogue and promoting sustainable development.

Furthermore, in 2022, a pivotal partnership fostering the realization of Sustainable Development Goals (SDGs) materialized through the signing of the Cooperation Framework document for the period 2022-2026. This landmark agreement transpired on November 14 between the Government of the Republic of Azerbaijan and the United Nations Industrial Development Organization. The signatories of this significant document were Economy Minister Mikayil Jabbarov and UNCTAD’s General Director, Gerd Müller.

The overarching objective of the Cooperation Framework is to lend substantial support to Azerbaijan’s endeavors in attaining inclusive and sustainable industrial development. Aligned with the “Framework Document on Sustainable Development Cooperation for 2021-2025” between the United Nations and Azerbaijan, it addresses pivotal areas such as the diversification and growth of the non-oil sector. This encompasses the establishment of micro, small, and medium enterprises, the creation of special economic zones, resource efficiency, waste and water management, renewable energy, energy efficiency, investment facilitation, technology transfer, promotion of the supplier/subcontractor chain, as well as the enhancement of the agro-industrial sectors, particularly in the context of food processing.
The Framework document stands as a comprehensive blueprint for advancing multifaceted aspects of sustainable development in Azerbaijan.

Moreover, during the preceding period, our collaboration with the United Nations (UN) and its affiliated agencies persisted, showcasing our country’s exemplary practices in realizing the goals, targets, and indicators outlined in the 2030 Agenda. Our nation’s achievements were shared and acknowledged on the global stage, particularly in various forums and conferences held in international arenas.

A highlight among these significant events was the 2022 High-Level Summit on Sustainable Development, conducted in New York City from July 5 to 15, 2022, under the auspices of the UN Economic and Social Council (ECOSOC). This summit marked as a paramount political platform within the UN for the deliberation of sustainable development matters. Notably, our representation from Azerbaijan actively participated in this crucial summit, engaging in discussions and contributing to the discourse at the Youth Sustainable Development Forum (HLPF). This participation underscores our commitment to international cooperation and the exchange of best practices for the advancement of sustainable development on a global scale.

Simultaneously, throughout 2022, our country actively participated in a myriad of international events focused on the Sustainable Development Goals (SDGs), organized by various entities within the United Nations (UN) system. Notable among these gatherings were the “SDG Moment” held during the General Debate of the General Assembly on September 19 in New York, the “Tracking Financing for Development” forum under the auspices of the Economic and Social Council (ECOSOC) and the concomitant Sustainable Development Goals Investment Exhibition from April 12 to 15 in New York.

Our engagement extended to other significant events, including the “Keeping sustainable and sustainable tourism in the focus of inclusive recovery” session on May 4 in New York, the 7th Science, Technology and Innovation Forum for Sustainable Development Goals on May 5-6 in New York, the “Building Bridges 2022” forum from October 3 to 6 in Geneva, and the “2022 Sustainable Development Transformation...
Forum” held from October 25 to 28 in Incheon, Republic of Korea. Additionally, our representatives actively participated in the second high-level international conference on “Water for Sustainable Development 2018-2028” in Dushanbe, Tajikistan, from June 6 to 9.

These events provided valuable platforms for our country’s representatives to share best practices and insights, showcasing our commitment to and active involvement in the global pursuit of sustainable development.

In 2022, the Ministry of Foreign Affairs played a pivotal role in facilitating essential coordination for the advancement of our country’s interests. Specifically, the Ministry diligently managed the inclusion of a noteworthy project, the creation of a “Green Energy” zone in territories liberated from occupation, in the United Nations’ “SDG Acceleration Action” database. In response to the Ministry’s request, the project underwent rigorous internal approval processes, and subsequent efforts were directed by relevant institutions to successfully add the project to the pertinent platform. This strategic initiative underscores our commitment to sustainable development and aligns with our national objectives.

The second International Conference on “Mine Action - the Path to Reaching SDGs”

The second International Conference on “Mine action - the path to reaching Sustainable Development Goals” was held in Baku and Aghdam from 24 to 26 May 2023. The three-day event was organized by the Mine Action Agency of the Republic of Azerbaijan (ANAMA) and the United Nations Office in Azerbaijan. Over 60 states remain contaminated by landmines and explosive remnants of war (ERW) after many years, threatening the safety, health, wellbeing, lives and livelihoods of generations of people. The most vulnerable populations, including women and children, are the most affected. For affected countries and communities, the impact of landmines and ERW is an impediment to achieving the 2030 Agenda for Sustainable Development and the Sustainable Development Goals at the national and local levels.

Stressing on the severity of mine contamination in its liberated territories, during the Conference, the Government of Azerbaijan formally announced the adoption of the national SDG 18 entitled “Actions to Combat Mine Threats”. The initiative of the 18th Sustainable Development Goal had been put forward by the President of the Republic of Azerbaijan Mr. Ilham Aliyev on 2 March 2023 at the Summit meeting of the Contact Group of the Non-Aligned Movement on fight against COVID-19 in Baku. The 18th Sustainable Development Goal was prepared based on the opinions and proposals of the relevant government agencies on the President’s initiative and was approved by the National Coordination Council for Sustainable Development. The 18th national SDG includes action to combat the threat of mines for safe return, resettlement, rehabilitation, prosperity, and sustainable peace in the liberated territories. It aims to promote clean and healthy environment, sustainable livelihoods, peace and security.

To accelerate the progress towards a mine-free world, a Declaration of the 2nd International Conference on “Mine Action – the Path to Reaching SDGs” was adopted, where the participants called for a renewed global momentum for a mine-free world, to end the threat of landmines and ERW, support communities as they heal, and help people return and rebuild their lives in dignity, safety and security, by joining and fully implementing the existing international instruments, strengthening existing partnerships and building new platforms.
First Baku Forum on Sustainable Development

25-26 October 2018 marked the First Baku Forum on Sustainable Development, which focused on strengthening regional partnerships as the way to accelerate progress on the 17 Sustainable Development Goals and 169 associated targets, which are coherently integrated and indivisible.

The first Baku Forum on Sustainable Development (BFSD) was convened in the quest to bring forward the importance of partnership for development and offered an interactive platform for on stage discussions, providing insights into processes, through which countries advance on their development priorities and address impediments along the way. While the Forum placed a particular emphasis on Azerbaijan, the primary objective of the event was to share regional experiences from across participating countries and learn how their governments work towards translating the SDGs into national development plans, strategies and processes.

Bringing together more than 200 people from close to 30 countries around the globe, the Baku Forum on Sustainable Development served as a platform for policy makers, legislators, researchers, advocacy groups and practitioners from different sectors to share lessons learned and best practices from the region on monitoring, tracking, and reporting on SDG progress.

The Baku Forum capitalized on challenges facing the world in the implementation of SDG 4 (quality education and life-long learning), SDG 8 (decent work and inclusive economic growth), SDG 10 (reduced inequalities), SDG 13 (climate action), and SDG 16 (peace, justice and strong institutions), in addition to SDG 17 (partnerships for the Goals). All of these priority areas are in line with the theme of 2019 edition of High Level Political Forum, where Azerbaijan presented its second round of the Voluntary National Review, in an overarching framework of empowering people and ensuring inclusiveness and equality.

Second Baku Forum on Sustainable Development

In October 2018 Baku had hosted the First Regional Forum on Sustainable Development, which was dedicated to strengthening regional partnerships to accelerate progress on the 17 Sustainable Development Goals and 169 associated targets, which are coherently integrated and indivisible. The Forum demonstrated Azerbaijan’s leading role in the region to facilitate partnerships, share best practices and foster innovative solutions towards the achievement of the SDGs.

Building on the success of the First Forum, the Second Baku Forum on Sustainable Development, held on 15-16 November 2023, served as a continuation of the high-level dialogue initiated at the global SDG Summit 2023 focusing on SDG investments and priority policy changes that would yield the greatest multiplier effects across the goals. It offered a unique opportunity for both the public and private sectors to delve into the most challenging topics related to accelerating actions towards the SDGs in the region. By building upon the discussions and momentum generated at the SDG Summit 2023, the Forum helped to foster collaboration and develop strategies for effectively implementing the SDGs in the region.

The Second Baku Forum on Sustainable Development reviewed the strategies to address the
SDG financing needs through a combination of concessional and non-concessional finance in a mutually reinforcing way, reflecting what can and must be done within the current state of SDG financing progress. In addition, the Forum set forth actionable ideas and solutions for creating local pipelines of investable projects, i.e. SDG Investor Map and a new financial industry for sustainable finance.

The Second Baku Forum on Sustainable Development brought together an international audience composed of government officials and experts responsible for the implementation of the 2030 Agenda, as well as representatives of regional and international organizations, including the United Nations, and of civil society and the private sector. The Forum also welcomed other non-government experts working in the areas of SDG Financing and Investment at the national, regional, and local levels. It was open to academia, youth, and other interested stakeholders to ensure an inclusive and integrated discussion on sustainable accelerated solutions to provide hands-on support to prompt response to SDG Financing.

The Forum offered a networking platform to build connections and foster the exchange of knowledge and best practices among policymakers, private sector actors, experts engaged in supporting financing for sustainable development; for sharing experiences and learning from actors in the private sector who work in promoting access to sustainable finance, with a view to learning why others are failing or succeeding; to identify opportunities and challenges for the Financing of Sustainable Development until 2030 and beyond; to devise strategies to maximize the contributions of Governments, development partners and private sector to digital inclusion; as well as to raise awareness and provide extensive information relating to the roles of government, private sector and other stakeholders in financing the SDGs.

Today, the world is facing compounding shocks such as COVID-19 pandemic, geopolitical instability, high inflation and weak economic growth, narrowing monetary and financial circumstances, and unsustainable debt burdens that are threatening to reverse progress on the implementation of Sustainable Development Goals (SDGs). This impact of these multiple shocks on global economy is aggravated by an unfair global financial system and exacerbates inequalities.

In this taught time - by the half mid-point of the 2030 Agenda, beyond the above highlighted shocks SDGs financing is one of the main...
significant challenges remain in front of the countries and states. Progress on fulfilling the Financing for Sustainable Development is slower and going slower than ever. Financing for Sustainable Development requires the countries and states remodel and transform their economy.

In that respect, the 2023 SDG Summit, that took place on 18-19 September in New York, holds immense significance. It marks the beginning of a new phase aimed at accelerating progress towards the SDGs and provides high-level political guidance for transformative actions leading up to 2030 including priority transitions and areas for investment that helps maximize progress across the SDGs. As the Summit aligns with the halfway point towards the 2030 Agenda, it aims to address the global impact of various crises and reinvigorate hope, optimism, and enthusiasm for achieving the SDGs.

As a continuation of the discussion of regional challenges and problems in sustainable development Ministry of Economy’s National Coordination Council on Sustainable Development of the Republic of Azerbaijan hosted the Second Baku Forum on Development on 15th and 16th of November 2023, in collaboration with United Nations Development Program (UNDP), aim-
ing to catalyze the national and global progress towards the Sustainable Development Goals (SDGs). The Second Baku Forum served as a continuation of the high-level dialogue initiated during the SDG Summit focusing on priority areas for SDG investment and priority policy changes that would yield the greatest multiplier effects across the goals. It offered a unique opportunity for public sector and private sector to delve deep into the most challenging topics related to accelerating actions in the region. By building upon the discussions and momentum generated at the SDG Summit, the Forum aimed to foster collaboration and develop strategies for effectively implementing the SDGs in the region.

In addition, the Forum set forth actionable ideas and solutions for creating local pipelines of investable projects and a new financial industry for sustainable finance.

Taking this ahead, the Second Baku Forum on Sustainable Development brought together an international audience composed of national government officials and experts responsible for the implementation of the 2030 Agenda, as well as representatives of regional and international organizations, including the United Nations, and of civil society and the private sector. The Forum also opened the door to other non-government experts working in the areas of SDG Financing and Investment at the national, regional, and local levels. It also welcomed academia, youth, and other interested stakeholders to ensure an inclusive and integrated discussion on sustainable accelerated solutions to provide hands-on support to prompt response to SDG Financing.

In a spirit of “leaving no one behind”, the inaugural event offered a floor to an impressive array of experts and individual contributors, from big transnational corporations to non-profits, from small and medium enterprises to organizations of persons with disabilities. Putting partnerships at the heart of global development efforts, the Forum, in short, provided an opportunity to think, share and explore together, in order to respond to challenges related to inclusive economic growth, productive employment, gender equality and youth participation, peaceful coexistence and justice for all, as well as access to clean resources and fighting the climate change.

The event commenced with a distinguished opening ceremony, featuring speeches from
notable figures such as H.E. Mr. Ali Ahmadov, Deputy Prime Minister of the Republic of Azerbaijan and Chairman of the National Coordination Council on Sustainable Development and H.E. Mr. Mikayıl Jabbarov, Minister of Economy of the Republic of Azerbaijan and Deputy Chairman of the National Coordination Council on Sustainable Development. The panel sessions were inaugurated by representatives from the ministries of the participating countries in the Forum, signifying a collective commitment to advancing sustainable development on a global scale. The Azerbaijan SDG Investor Map was launched on the first day of the Forum, a valuable market intelligence tool designed to empower investors with key insights, identifying investment opportunities that have the potential to contribute towards the country’s SDG priorities. The Azerbaijan SDG Investor Map is a market intelligence tool that makes visible the SDG-enabling investment themes and business models (investment opportunity areas or IOAs) are aligned to national sustainable development needs, government policy priority, and where viable business models already exist. It is freely available on the SDG Investor Platform.

The Azerbaijan SDG Investor Map pinpoints ten IOAs within four key national priority sectors. These sectors, namely Infrastructure, Renewable Resources & Alternative Energy, Food and Beverage, and Services (Tourism), require increased private sector investment in order to realize both national development goals and the SDGs. Additionally, the Impact Investing Ecosystem Study in Azerbaijan was presented, offering a comprehensive stakeholder mapping and initial analysis of Azerbaijan’s investing landscape. UNDP’s Istanbul International Center for Private Sector in Development (ICPSD) developed this methodology to promote sustainable investing with the SDGs as the guiding framework especially for developing and least developed countries.

Azerbaijan identifies potential areas for ecosystem growth, the particular challenges which stakeholders face, and recommendations to address these challenges. Potential areas for ecosystem growth include green growth & green entrepreneurship, harnessing the power of technology for development and mobilizing private sector solutions to address inequality and marginalization.

Engaging panel sessions explored topics such as reshaping financial architecture, driving SDG investments, digitalization for competitive economies, and climate and biodiversity finance. Moderated by a field of experts, these discussions provided a dynamic platform for thought leaders, policymakers, and investors to share knowledge and perspectives.

Outcomes of the Forum

- A networking platform for exchange of knowledge and best practices among policymakers, top-level figures, statisticians and specialists engaged in supporting finance for sustainable development.

- Identify opportunities and challenges for the Financing of Sustainable Development until 2030 and beyond.

- Devise strategies to maximize the contributions of Governments, development partners and private agents to digital inclusion.

- To create a platform for sharing experiences and learning from other actors in the private sector who work in promoting access to finance and education, with a view to learning why others are failing or succeeding.

- The Forum also raised awareness and provide extensive information relating to the roles of women, youth, parliamentarians, private sector and other stakeholders for achievement of SDGs.
Baku Declaration

As a general outcome of the Forum Baku Declaration successfully adopted at the end of the Forum. The Declaration briefly stated the followings:

The multiple crises add to inequality across countries and societies and that is why more resources are needed for a green, inclusive and just transition to strengthen resilience and to leave no one behind. It is critical to advance on the sustainable development finance agenda and address the key issues for the realization of commitments and policy actions agreed by the United Nations to increase financial flows for sustainable development.

The global financial system’s inadequacy exacerbates the repercussions of numerous crises on the world economy, including geopolitical instability, high inflation, weak economic growth, narrowing monetary and financial circumstances, and unsustainable debt burdens. Achieving financing for Sustainable Development mandates a comprehensive overhaul and transformation of conventional economic practices that positions financing for sustainable development at the top of governments' fiscal and monetary policy agenda.

In this regard, the Second Baku Forum will function as a venue for specifically emphasizing critical areas for investing in Sustainable Development Goals (SDGs) and implementing policy changes that promise substantial multiplier effects spanning these goals. Building on the productive discussions and momentum generated during the inaugural First Baku Forum on Sustainable Development, the second edition of the Forum seeks to sustain the established collaborative efforts and refine strategies for the effective implementation of SDGs within the region and on a global scale.

For mobilizing the private sector for the SDGs, it is important to provide market intelligence around investment opportunity areas that contribute to the SDGs through products such as the SDG Investor Map. The implementation of the SDG Investor Maps across the region will help build the market intelligence for attracting the private sector investors to the region.

It is also crucial to establish networking platforms for exploring opportunities for private sector investors who prioritize making a positive impact and identify areas where improvements can be made to foster an environment conducive to sustainable finance by materializing connections and exchange of knowledge on best practices among policymakers, private sector actors, top-level figures and specialists engaged in supporting finance for sustainable development.

As an outcome of the Forum, we confirm that the establishment of a national and regional advisory board for impact investing would be a crucial step for the development of the impact investing ecosystem in the region. The board would provide coordination between the ecosystem participants, the government agencies and other ecosystem supporters. The formation of an advisory board would facilitate the exchange of knowledge and experience among the countries in the region for creating and nurturing an impact investing ecosystem for mobilizing private sector investors towards impactful investment opportunities. Globally, national advisory board (NABS) were introduced by the Global Steering Group for Impact Investment (GSG) and consist of sector experts, policy makers and academics.

The initiative of Economic Cooperation Organization is welcomed on the establishment of “High level Sustainable Development Working Group for Policy Coherence” with the aim of improving the coordination and collaboration for achieving SDGs in the region.

As an outcome of entire discussion, we ear-
marked a point that immediate actions are needed to expand development cooperation and boost investments in the SDGs. Recent global shocks have contributed to unprecedented demands on international development cooperation. Mounting sustainable development challenges require bold and new solutions from the international community. Providers of official development assistance must meet their commitments. The scaling-up of lending by multilateral development banks can also increase the availability of concessional resources. The international community should support the Secretary-General’s SDG Stimulus to boost affordable and long-term financing for investments in sustainable development.

We suppose the response to the Finance Gap is blending instruments and innovative financial instruments as green, social and sustainability linked bonds, to catalyze private capital to sustainable investments in frontier markets.

In 2023, Azerbaijan submitted its national commitment titled “Accelerated Pathways to SDG Progress: Azerbaijan’s National Commitments for Sustainable Development and SDG Advancement” to the United Nations. This commitment, comprising a comprehensive set of deliverables, has been meticulously crafted. It draws upon multiple sources of insight, including the mapping of key national development strategies and programs, the findings of the ‘Integrated SDG Insights’ report by UNDP, recommendations from the first and second SDG Dialogues, an illustrative list of policy actions and investments from the Special Edition of the Global SDG Progress Report, and High Impact Initiatives proposed by the UN.

These proposals have been developed through close collaboration between the UN Resident Coordinator’s Office and the National Coordination Council on Sustainable Development. This collaborative effort underscores Azerbaijan’s commitment to advancing sustainable development goals and aligning its strategies with global SDG priorities.

“Accelerated Pathways to SDG Progress: Azerbaijan’s National Commitments for Sustainable Development and SDG Advancement”

The Socio-Economic Development Strategy 2022-2026 identifies five National Priorities and provides a comprehensive roadmap and set of measures with clear indicators and targets to guide the country’s socio-economic development. It aims to make a positive impact on various SDGs, such as ensure equal opportunity, sustainable economic growth, infrastructure development, environmental sustainability, quality health and education, and inclusive governance.

The UN led SDG Policy dialogues on “Green Transformation in Azerbaijan” and “Towards 2030: Social and economic inclusiveness in Azerbaijan” produced recommendations and commitments aimed at further acceleration of the progress toward SDGs. UNDP led ‘Integrated SDG Insights’ report provided a strong evidence-base and relevant insights to development pathways with the most potential to accelerate the SDGs for Azerbaijan.

The selected deliverables also align with the policy areas and actions that have the potential to drive key transitions and transformations across the goals, as drawn from the special edition of the Global SDG report.

The country has also undertaken significant initiatives to enhance sustainable development financing including development of the Integrated National Financing Framework (INFF) Roadmap and SDGs Investment Mapping, sector-specific strategic plans within the Medium-term Expenditures Framework to address key areas like agriculture, education, and the
environment while aligning them with SDGs. Furthermore, the country is taking steps to integrate environmental, social, and governance (ESG) factors into the financial sector through the Sustainable Finance Roadmap (SFR). This roadmap encourages green finance instruments (e.g. green bonds and sustainability linked finance), sets the ground for introduction of green taxonomy and integration of ESG risks in financing decisions, thus facilitates the alignment of the financial sector with sustainable development goals.

The Government has also put a strong and unwavering commitment towards reviving the Karabakh and Eastern Zangezur economic regions of the country that were subjected to a long-standing conflict, resulting in a protracted period of displacement and massive destruction and contamination by landmines for nearly three decades. This commitment takes a holistic approach towards post-conflict recovery, aimed at rebuilding the conflict affected districts, improving the living conditions, and creating an environment conducive to sustainable development and lasting peace. Development of the East Zangezur and Karabakh economic regions has also positive impact on overall regional economic and social development. Creation of “net zero emission” and “green energy zone” in the liberated territories contributes to preservation of biodiversity, fighting against climate change and tackling the causes of land degradation.

Heavy contamination by landmines and unexploded ordnance renders the area unsafe for habitation, thus there is a significant emphasis on demining efforts and providing necessary support for clearance operations to ensure a safe and secure environment for the returning population. As demining efforts are seen as directly related to sustainable and lasting development, Mine Action was officially declared the 18th National SDG in Azerbaijan in 2023.

The Government cooperates with the UN, EU and WB for the Joint Recovery Needs Assessment (JRNA), which is a collaborative effort to assess and identify priority areas for post-conflict recovery, reconstruction and development needs in Aghdam, Fuzuli and Jabrayil districts of the Republic of Azerbaijan.

The Government also contributes to the global efforts on demining which is inked in the Declaration of the 2nd International Conference on “Mine Action – the Path to Reaching SDGs” held in Azerbaijan in May 2023. Azerbaijan proposed forming a like-minded group of mine-affected countries under the Non-Aligned Movement (NAM) which it is currently chairing. As a result, during the Ministerial Meeting of the Coordinating Bureau of the NAM held in Baku on July 5, 2023 the Ministers of Foreign Affairs welcomed the proposal by Azerbaijan to establish NAM Contact Group for consultations and practical cooperation on humanitarian de-mining and related issues.

Main deliverables of the commitment of Azerbaijan until 2030 as follows:

**Deliverable 1: Sustainably Growing Competitive Economy**

Under the first deliverable of the Commitment, the Government of Azerbaijan has announced its focus on sustainably growing a competitive economy.

Economic diversification and increased non-oil exports are key priorities, with the national economy expected to grow by an average of 3-4% annually and non-hydrocarbon GDP by 5% annually. The goal is to increase the private sector’s share in the economy to 88%.

The rule of law and effective judiciary reform are crucial for strengthening the competitive economy across markets, enhancing the transparency and efficiency of public procurements. Efforts will be made to improve the effectiveness, targeting, and transparency of govern-
ment enterprise support mechanisms. It is anticipated that 20-30% of enterprise support funding will be allocated to microenterprises, 35-45% to small enterprises, and 25-35% to medium enterprises. Advanced corporate governance reforms will be implemented in state-owned companies to support economic development.

Supporting entrepreneurship efficiency, governance, and transparency will involve optimizing the state’s direct participation in the economy, gradually privatizing state-owned assets, except for strategic industries, to reduce the need for and risks of public funding.

Foreign direct investments (FDI) in the non-hydrocarbon sector will be boosted by 10-15% annually.

**Deliverable 2: Dynamic, Inclusive, and Equitable Society with Competitive Human Capital and Modern Innovations Space**

Under this deliverable, Azerbaijan will ensure an increase in wages and a decent quality of life for all by maintaining the acceptable net minimum wage to net monthly average wage ratio. The goal is to create new private sector jobs, with the private sector accounting for 50% of wage earners, up from 46.9% in 2021. An equitable and comprehensive social safety net will be established, maintaining the minimum pension at 81% of the minimum wage as of February 1, 2023. Women’s access to economic opportunities will be actively promoted, particularly in high-paying industries, aiming to increase the ratio of women’s monthly average wage to that of their male counterparts from 64.8% in 2021 to 80%. Azerbaijan will address disparities between urban and rural living standards by increasing the share of rural areas in total output from 35% to 42%. Additionally, early childhood education coverage will be enhanced, raising the share of children aged 1 to 5 benefiting from early childhood education to 50%.

**Deliverable 3: Clean Environment and “Green Growth” Country**

Under Deliverable 3, the focus is on achieving a clean environment and fostering “green growth.”

Natural resources will be utilized sustainably, with the country-wide vegetation area targeted to increase from 12% to 12.3%. The share of unusable lands will be reduced from 25% to 15%. Drinking water supply will rise from 70% to 85%, while irrigation water supply will increase from 80% to 90%. Waste recycling coverage will be improved in urban areas and extended to rural areas. Protected natural areas (preserves) will account for 10.5% of the country’s total lands. Additionally, 65% of forested areas will be inventoried, and 30% of lands will be analyzed for agrochemicals. A National Adaptation Plan for climate-sensitive sectors and a “State Program on low-carbon development” will be developed.

Energy regulations and liberal market principles will be emphasized. Deployment of renewable energy sources will be expanded, alongside energy efficiency measures. Sustainable vehicles and other green technologies will be widely adopted to support climate action, reducing the government’s financial burden in the energy sector as subsidies are phased out. The share of renewable energy sources in total installed capacity will be increased to 24% by 2026, aligning with the 30% target for 2030.

ESG Integration and Ecosystem for Green Finance and Investments: The Sustainable Finance Roadmap developed by the Central Bank of Azerbaijan aims to ensure the financial sector’s sustainability to environmental, social, and governance (ESG) risks, and to realize green finance opportunities, particularly in attracting green investments. The Action Plan of the SFR outlines pillars and milestones to align and coordinate the financial sector with
sustainable development goals. The roadmap includes integrating climate-related and ESG factors into decision-making and risk management processes of financial intermediaries, developing relevant standards, building an ecosystem for finance instruments geared towards sustainability, and introducing green bonds and sustainability linked finance instruments, among others.

Deliverable 4: Rebuilding for Sustainable Development and Peace

Under Deliverable 4, efforts focus on rebuilding for sustainable development and peace, encompassing several key areas:
- Infrastructure restoration, including the construction of settlements and restoration of connectivity and utility infrastructure.
- Mine clearance activities to ensure safety and facilitate reconstruction efforts.
- Rebuilding the economy, which involves creating productive capacities, developing the private sector, enhancing agriculture and food systems, integrating value chains, and promoting tourism development.
- Social development initiatives aimed at improving living conditions, education, health and social services, social protection for vulnerable populations, housing, and employment opportunities.
- Balanced environmental development strategies focusing on environmental protection, resource use efficiency, promotion of renewable energy, and the implementation of concepts like “smart city” and “smart village” to foster sustainable urban and rural development.

3.2. POLICY INTEGRATION FOR SDGS

“In 2022-2023, the integration of the 17 Sustainable Development Goals (SDGs), harmonizing the triad of economic, social, and environmental dimensions of sustainable development, persisted as a foundational component of Azerbaijan’s national development framework. Building upon past efforts, ongoing initiatives unfolded along two primary vectors.”

1. “In alignment with the objectives, targets, and indicators outlined in the ‘2030 Agenda for the Sustainable Development Goals’ (SDGs), our programs, projects, strategies, and laws in Azerbaijan not only reflect these specific benchmarks but also embody the core principles of the 2030 Agenda. This commitment extends to universality, leaving no one behind, dedication to human rights, and the acknowledgment of the comprehensive and indivisible nature of these goals, ensuring their seamless integration into national priorities.”

2. “To foster engagement and awareness regarding the implementation of the ‘2030 Agenda,’ we actively organize educational events, seminars, and conferences. These initiatives are designed to actively involve stakeholders and interested parties, promoting a shared understanding and commitment to the sustainable development goals within our community.”

The formulation of national development strategies aligned with the Sustainable Development Goals (SDGs) of the 2030 Agenda presents fresh opportunities for shaping the core strategic documents of our country. In 2022, significant strides were made towards seamlessly integrating 2030 Agenda into national, regional, and local plans, accompanied by corresponding budget allocations. The concerted effort involves implementing the 17 goals, 88
targets, and 119 indicators, with the overarching aim of enhancing the well-being of all individuals residing in Azerbaijan. This endeavor seeks to foster an environment of peace and prosperity, ensuring harmonious progress across environmental, social, and economic dimensions, guided by the fundamental principle of “Leaving no one behind”.

In the ongoing commitment to aligning national development strategies with the Sustainable Development Goals (SDGs), the period spanning 2021-2023 witnessed a seamless continuation of this crucial process. Employing a comprehensive and integrated approach, the national development agenda was adeptly tailored to harmonize with the specific goals and objectives outlined in the SDGs. This strategic alignment underscores a continued dedication to ensuring that the nation’s developmental pursuits are intricately interwoven with the global agenda for sustainable and inclusive progress.


The approval of the Sustainable Finance Roadmap for 2023-2026 by the Central Bank of the Republic of Azerbaijan (CBAR) reflects a commitment to transforming the financial sector into a more sustainable and resilient entity. The roadmap, developed with consideration of international best practices, aims to address environmental, social, and governance (ESG) factors, particularly those related to climate change. The roadmap seeks to enhance the resilience of financial institutions to risks associated with climate change and other ESG factors. This involves integrating climate change and ESG criteria into the regulatory and supervisory frameworks governing the financial sector. By incorporating ESG considerations into decision-making processes, financial institutions are better positioned to identify and leverage opportunities associated with the transition to a sustainable economy. This could involve supporting environmentally friendly projects, renewable energy initiatives, and other sustainable development endeavors.

The roadmap aims to involve various financial entities, including banking, insurance, and capital market participants, in strategic decision-making and risk management processes. This integration is crucial for fostering a coordinated approach to sustainability across the entire financial ecosystem.

The development of market standards in alignment with sustainable finance goals is a key component. This involves creating an ecosystem of sustainable financial instruments, encouraging the adoption of practices that prioritize sustainability within the financial sector.

Formation of a Healthy, Sustainable, and Efficient Financial Sector: Ultimately, the implementation of the roadmap is expected to contribute to the formation of a healthy, sustainable, and efficient financial sector within Azerbaijan. This aligns with broader global trends where sustainability is increasingly recognized as a crucial element of long-term financial stability.

In summary, the Sustainable Finance Roadmap represents a comprehensive and strategic approach by the CBAR to align the financial sector with sustainability goals, demonstrating a commitment to responsible and resilient financial practices in the face of environmental and social challenges.


The strategy was formally endorsed by the Decree of the Cabinet of Ministers of the Republic of Azerbaijan on January 16, 2021. The primary objectives outlined in this strategic
framework include:

- Prevention of the Ongoing COVID-19 Pandemic: Emphasis is placed on comprehensive vaccination measures to curb the widespread COVID-19 pandemic, with the overarching aim of diminishing both morbidity and mortality rates.
- Vaccination of Socially and Medically High-Risk Groups: The strategy prioritizes the vaccination of groups within the population of the Republic of Azerbaijan that are deemed socially and medically high-risk.

Subsequently, the plan envisages extending vaccination efforts to encompass other segments of the population in subsequent stages. This strategic approach underscores the government’s commitment to tackling the challenges posed by the COVID-19 pandemic through targeted vaccination initiatives, aiming to protect vulnerable groups and promote public health across the nation. The strategy outlines key directions for action, encompassing:

Preparation of Vaccination Process and Infrastructure
- Financing
- Assessment
- Selection of Vaccines
- Creation of Appropriate Storage Conditions
- Procurement and Importation of Vaccines
- Preparation of Vaccination Points and Distribution
- Training of Operative Staff
- Implementation of Vaccination
- Control of Vaccination Measures
- Monitoring and Evaluation in the Post-Vaccination Period
- Regular Population Education

These strategic directions collectively form a comprehensive and systematic approach to the successful implementation of the vaccination strategy, emphasizing thorough preparation, efficient implementation, and continuous monitoring and evaluation.

3. State Program for the education of young people at prestigious higher education institutions of foreign countries for 2022-2026

In accordance with the Presidential Decree of the Republic of Azerbaijan dated September 30, 2021, titled “On Expanding the Educational Opportunities of Azerbaijani Youth in Prestigious Foreign Higher Education Institutions” the Minister of Science and Education has formulated the “State Program for Studying in Educational Institutions for the Years 2022-2026.” This initiative aims to cultivate a pool of skilled professionals essential for the sustainable development of the nation.

The primary objective of the program is to harness high intellectual capacity as a central force driving the country forward, considering the challenges posed by the post-pandemic era and the imperatives of a new strategic phase. Aligned with national development goals, the program seeks to propel rapid advancement in the realms of competition and development. It also strives to fortify the role of the innovative class in both economic activities and management.

Building on these principles, the program is designed to ensure the uninterrupted education of Azerbaijani youth at the undergraduate and graduate levels within esteemed foreign higher education institutions. This aligns seamlessly with the directives outlined in the Presidential Decree and the overarching strategy. Notably, the project is thoughtfully tailored to support and contribute to the objectives of Sustainable Development Goal 4 (SDG 4).
4. Draft law on the Management of Greenhouse Gases Released into the Atmosphere

The draft law on the management of greenhouse gases is likely designed to align with the country’s commitments under international agreements such as the UN Framework Convention on Climate Change and the Paris Agreement.

The collaboration with the State Oil Company of Azerbaijan and the preparation of the “Carbon neutrality concept for liberated territories” document demonstrate a holistic approach to environmental sustainability, especially in regions affected by conflict. The goal of achieving full carbon neutrality by 2040 in these areas suggests a commitment to both environmental and economic sustainability.

The concept of a common carbon neutrality zone, as outlined in the document, likely involves a range of measures to minimize carbon emissions and promote sustainable development. This could include the adoption of renewable energy sources, reforestation efforts, and the implementation of eco-friendly technologies.

Overall, these initiatives reflect the Republic of Azerbaijan’s dedication to fulfilling its international obligations and contributing to global efforts to combat climate change. It also highlights a commitment to sustainable development and environmental stewardship in regions affected by conflict.


The “2024-2030 New Generation Economy Strategy” focuses on the digital economy, digital trade, creating a favorable environment for digitalization, and promoting public-private cooperation in the technological and digital field. Additionally, there is an emphasis on the development of regulatory policies for new generation economy initiatives. The main objective of the draft document:

- Conducting a study on the state of the digital economy ecosystem to understand its current status.
- Ensuring the expansion of digital trade, which is expected to contribute to the development of the non-oil sector and increase export potential.
- Focusing on creating conditions that facilitate the adoption and integration of digital technologies across various sectors.
- Encouraging collaboration between the public and private sectors to foster technological and digital advancements.
- Highlighting the expectation that the expansion of digital trade will positively impact the non-oil sector and enhance the country’s export potential.
- Working on regulatory frameworks to support and guide initiatives in the new generation economy, promoting digitization across companies and enterprises.
### Alignment of “2024 - 2030 New Generation Economy Strategy” with “Transforming our world: 2030 Agenda”

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3.3. AZERBAIJAN 2030: NATIONAL PRIORITIES FOR SOCIO-ECONOMIC DEVELOPMENT

The Republic of Azerbaijan has emerged as a strategic contributor to worldwide energy security, boasting a stable and sustainable economy supported by substantial financial resources and a robust geopolitical and geo-economic standing. The country has consistently spearheaded international and regional cooperation, facilitating the successful implementation of several global projects. The combination of growing economic prowess and increasing international influence positions Azerbaijan as a key initiator of large-scale projects with the potential to reshape the economic landscape of the South Caucasus and neighboring regions. The successful realization of these projects solidifies Azerbaijan’s status as a “global player,” actively shaping the trajectory of regional development and exerting influence on global economic affairs.

The state’s distinctive role in socioeconomic development, coupled with the effective and strategic integration of oil wealth into dynamic growth, and the substantial volume of state investments, have been pivotal in achieving the primary objectives of the initial phase of economic development. These objectives notably include fortifying state sovereignty and national security by reinstating the historical geographical borders of the country, as well as upholding internal sociopolitical stability and social cohesion.

Over the next decade (2021-2030), the country’s socio-economic development will be defined by five fundamental outcomes include the establishment of a victorious nation, garnering global acclaim, cultivating an educated society, fostering strong economic potential, and enhancing overall well-being. These accomplishments will significantly contribute to shaping the country’s long-term social and economic development landscape. They directly result from the comprehensive reform initiatives undertaken in the past decade. Few countries have witnessed such a remarkable success story within a span of just 30 years.

Azerbaijan has embarked on a transformative strategic phase, marking the post-pandemic and post-conflict period spanning from 2021 to 2030. In this context, the Government of Azerbaijan has articulated five overarching national priorities, charting a course for sustained socio-economic and environmental development over the next decade. These priorities, formally endorsed by the decree of the President of the Republic of Azerbaijan on February 02, 2021, align seamlessly with the commitments emanating from the 2030 Agenda. The approved priorities are:

- A steadily growing, competitive economy;
- A dynamic, inclusive society based on social justice;
- Areas of modern innovations and competitive human capital;
- The great return to the territories liberated from occupation;
- A clean environment and country of “green growth”.

Socio-economic development strategy for 2022-2026 of the Republic of Azerbaijan

The content and structure of the former socio-economic model is being significantly revised in order to achieve the next strategic objective of becoming “A powerful state and a high well-being society”.

In this context, “The Azerbaijan 2030: National Priorities for Socio-economic Development” has been approved and is being implemented following the updated socio-economic growth model. This model, based on best
practice-based development ideas, seeks to mobilize and leverage all of the country’s resources and achievements to reach the long-term strategic goals.

The new socio-economic development model rationalizes the fundamental reforms to be implemented in the country across the board by 2030. At the core of the rationale are creative entrepreneurs, productive investments, development of innovation-supporting intellectual property and competitive markets.

Implementation of this socio-economic development model consists of two phases. In the first phase, spanning from 2022 to 2026, enablers will be provided to successfully implement the socio-economic development model by 2030. The second phase, covering 2027-2030 will create a brand new national economic landscape as the enablers complement each other.

Towards the implementation of new socio-economic development model, the “Socio-economic Development Strategy for 2022-2026” was developed encompassing the five National Priorities and approved by the Presidential Degree on July 22, 2022.

The Strategy includes 65 activities and 272 outcomes under 5 National Priorities and 12 Strategic Goals (not accounting for the State Program on Great Return to territories liberated from occupation).

“Socio-economic Development Strategy for 2022-2026” is intricately aligned with the United Nations’ 17 Sustainable Development Goals (SDGs). Attaining the objective of establishing a “Powerful State and a High Well-being Society” not only aligns with but also contributes to the realization of the broader Sustainable Development Goals.

In the period spanning 2022 to 2026, the forthcoming socio-economic development model aims to establish a paradigm that will set a new benchmark for Azerbaijan’s diversified progress. The primary goal of this phase is to restore robust, sustainable, and inclusive growth rates, with an emphasis on securing a stable living standard for every Azerbaijani citizen, prioritizing quality over sheer scale of growth.

The emerging growth model will be anchored in private initiatives, bolstered by a robust foundation of high-quality human capital throughout the strategic timeframe. A pivotal element of the modernization strategy will be the cultivation of a competitive, open economy model that concentrates on fostering sustainable and inclusive development.

Enhancing competitiveness is integral to fostering sustained, long-term growth in national income per capita and elevating living standards. Deepening productivity serves as a pivotal catalyst in bolstering the overall competitiveness of the economy. The strategic objective involves cultivating an environment where private high-performance investments, robust institutions, a human capital pool equipped with best practice capabilities, a resilient and healthy society, and advancements in innovation and technology collectively contribute to heightened productivity over the designated period.

Recognizing private enterprises as the primary drivers of development, the government’s unwavering commitment and allocation of resources will be directed towards cultivating a landscape conducive to competitive and sustainable economic activity. This model is designed to establish a platform of equal opportunities and possibilities for all, where success in every sphere is contingent upon skills as the fundamental determinant.

In prioritizing private enterprises as the primary catalysts for development, the government is directing all efforts and resources towards fos-
### The Strategy's SDG Mapping

<table>
<thead>
<tr>
<th>SDG Goal</th>
<th>Sustainably growing competitive economy</th>
<th>Dynamic, inclusive and equitable society</th>
<th>Competitive human capital and modern innovations space</th>
<th>The Great Return to de-occupied lands</th>
<th>Clean environment and &quot;green growth&quot; country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 1: No poverty</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Goal 2: Zero hunger</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Goal 3: Good health and well-being</td>
<td>●</td>
<td></td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 4: Quality education</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 5: Gender equality</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 6: Clean water and sanitation</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 7: Affordable and clean energy</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 8: Decent work and economic growth</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 9: Industry, innovation and infrastructure</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 10: Reduced inequalities</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 11: Sustainable cities and communities</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 12: Responsible consumption and production</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 13: Climate action</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 14: Life below water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 15: Life on land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 16: Peace, justice and strong institutions</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Goal 17: Partnerships for the goals</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>●</td>
</tr>
</tbody>
</table>

*Note: Maps the Strategy activities with Azerbaijan’s endorsed SDG priorities.*
tering a competitive and sustainable economic landscape. This strategic model aims to foster equal opportunities and possibilities for all citizens, with success hinging solely on individual skills.

The envisioned development model is designed to establish a standardized economy—a best-practice-driven value chain that spans the liberated territories. By deeply diversifying its economic activities, the national economy is poised to seamlessly integrate into the global value chain.

This transformative approach ensures an environment conducive to the efficient operations of businesses, households, and individuals across diverse markets. Critical safeguards will be instituted to protect investments, private property, and the economic interests of owners. Simultaneously, the government remains committed to preserving the country’s historic national values while rapidly modernizing socio-economic sectors.

The enhancement of Azerbaijani citizens’ skills, capabilities, and competencies stands as the cornerstone of this model, aimed at improving their livelihoods and fostering healthy lifestyles. The envisaged knowledge-based society will not only be the creator but also the consumer of state-of-the-art solutions and innovations.

The economy is slated to achieve greater efficiency through the judicious utilization of the country’s natural resources, coupled with a strong commitment to environmental protection. The anticipated high level of development is poised to yield not only financial prosperity but also enhanced moral well-being. Citizens are expected to reap more comprehensive benefits from the steadily growing national income in a sustainable manner.

The nation possesses the required economic prowess and cutting-edge infrastructure essential for the seamless implementation of the novel socio-economic development model. Over the stipulated period, this model will capitalize on prior achievements. The impending success of the new national socio-economic paradigm is underpinned by a globally recognized strong leadership, robust public and civic solidarity during challenging times, a society characterized by its receptivity to innovation and a profound appreciation for knowledge. Furthermore, years of cultivating a formidable economic foundation serve as the bedrock for the anticipated success of this model.

In the context of a favorable demographic landscape characterized by a significant proportion of economically active youth in the overall workforce, coupled with the widespread adoption of innovative methodologies by the younger generation, the nation is strategically positioned to attain more efficacious outcomes. The convergence of economic capacity, state-of-the-art infrastructure, and the socio-cultural factors outlined above serves to strengthen the foundation upon which the new socio-economic development model is poised to thrive.

Monitoring “The 2022-2026 Socio-Economic Development Strategy” is conducted through a framework of key performance indicators established for each strategic goal. The table below delineates the primary performance indicators and illustrates the actual achievement of the annual targets in the first half of 2023.

The graph illustrates the performance metrics for the first half of 2023 concerning the 2023 objectives outlined in the “Socio-economic Development Strategy of the Republic of Azerbaijan for the years 2022-2026”.

The implementation percentages for targeted indicators in 2023 during the initial six months of the year are as follows: 54.25% for the Priority of ‘Sustainably growing a competitive economy,’ 51.47% for the Priority of ‘Dynamic, inclusive, and social justice-based society,’
Key (performance indicators) targets for strategic goal and actual achievement of the annual target in the first half of 2023

<table>
<thead>
<tr>
<th>National Priorities</th>
<th>Goals</th>
<th>Targets (KPIs)</th>
<th>2021</th>
<th>Target indicator for 2023</th>
<th>Actual achievement of the annual target in the first half of 2023</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable growing competitive economy</td>
<td>Continuous and high growth</td>
<td>GDP growth</td>
<td>5.6%</td>
<td>3.5%</td>
<td>0.5%</td>
<td>1.2x (2021=100)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-hydrocarbon GDP growth</td>
<td>7.1%</td>
<td>4.5%</td>
<td>3.1%</td>
<td>1.3x (2021=100)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-hydrocarbon exports growth</td>
<td>USD2.7 bln</td>
<td>USD3.4 bln</td>
<td>USD1.8 bln</td>
<td>1.8x (2021=100)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total non-hydrocarbon FDIs</td>
<td>USD790.4 mln</td>
<td>USD956.4 mln</td>
<td>USD761.5 mln</td>
<td>+10-15% annually</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drinking water supply coverage</td>
<td>70%</td>
<td>76%</td>
<td>*</td>
<td>85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Irrigation water supply coverage of farmland</td>
<td>80%</td>
<td>84%</td>
<td>*</td>
<td>90%</td>
</tr>
<tr>
<td>Resilience to internal and external shocks</td>
<td></td>
<td>Annual inflation rate, %</td>
<td>12%</td>
<td>10.4%</td>
<td>10.6%</td>
<td>4±2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Targeted medium-term non-oil primary balance ceiling</td>
<td>23.5%</td>
<td>25%</td>
<td>11.8%</td>
<td>17.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Targeted medium-term debt stock to GDP ratio ceiling (with January 1, 2022 baseline of external debt of 14.9% and internal debt of 3.3%)</td>
<td>18.2%</td>
<td>16.1%</td>
<td>14.5%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Dynamic, inclusive and equitable society</td>
<td>Every citizen benefiting from development</td>
<td>Ratio of women’s monthly average wages to men’s monthly average wages</td>
<td>64.8%</td>
<td>71.4%</td>
<td>69.5%</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Balanced development of capital city and rural areas</td>
<td>Share of rural areas in total output</td>
<td>35% (2020)</td>
<td>38.5%</td>
<td>29.2%</td>
<td>42%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PISA score</td>
<td>402 points (2018)</td>
<td>402</td>
<td>*</td>
<td>422 points (2028)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of Azerbaijani universities in top 800</td>
<td>0</td>
<td>0</td>
<td>*</td>
<td>3</td>
</tr>
<tr>
<td>Competitive human capital and modern innovations space</td>
<td>Creative and innovative society</td>
<td>Share of added value of high and medium high technology industry in total added value</td>
<td>10.1% (2020)</td>
<td>11.3%</td>
<td>*</td>
<td>15.0%</td>
</tr>
<tr>
<td>Health lifestyle</td>
<td></td>
<td>Life expectancy at birth (years)</td>
<td>73.2</td>
<td>75.2</td>
<td>76</td>
<td>75.2 years</td>
</tr>
<tr>
<td>The Great Return to the territories liberated from occupation</td>
<td>Sustainable settlement</td>
<td>Settlement of de-occupied lands</td>
<td>-</td>
<td>1849</td>
<td>151</td>
<td>Planned initial settlement</td>
</tr>
<tr>
<td></td>
<td>Economic reintegration</td>
<td>Increased share of the territories liberated from occupation in the national economy</td>
<td></td>
<td></td>
<td></td>
<td>Ongoing increase of the region’s share in the country’s key economic performance metrics</td>
</tr>
<tr>
<td>Clean environment and “green growth” country</td>
<td>High-quality environment</td>
<td>Share of vegetation in total lands</td>
<td>12%</td>
<td>12.1%</td>
<td>*</td>
<td>12.3% (additional 30 thousand ha)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share of unusable lands</td>
<td>25%</td>
<td>23%</td>
<td>*</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>“Green energy” space</td>
<td>RES share in total installed capacity</td>
<td>16.6%</td>
<td>20%</td>
<td>*</td>
<td>24%</td>
</tr>
</tbody>
</table>

*Data on the main target indicator are reported on an annual basis
46.34% for the Priority of ‘Competitive human capital and modern innovations space,’ 41.44% for the Priority of ‘The Great Return to the territories liberated from occupation’ (implemented within the ‘State Program on the Great Return to the liberated territories of Azerbaijan’), and 40.54% for the Priority of ‘Clean environment and “green growth” country’.

State Program on the great return to the liberated territories of the Republic of Azerbaijan

The State Program on the ‘Great Return to Liberated Territories of Azerbaijan’ was meticulously prepared and officially approved through the relevant decree of the Republic of Azerbaijan. This initiative is strategically aligned to efficiently execute the fourth national priority outlined in the “Socio-economic Development Strategy for 2022-2026”.

“The development of the state program involved a thorough examination of international practices in restoration and reconstruction, a careful analysis of strategic development trends in the field, an assessment of the socio-economic potential of the liberated territories, and a consideration of contemporary global economic challenges.”

The formulation of the State Program involved incorporating recommendations from prominent consulting firms, including Boston Consulting Group and McKinsey & Company, recognized as global leaders in shaping strategic visions for sustainable regional development. These recommendations encompassed aligning strategic goals with advanced benchmarks and applying standards of social welfare. It’s noteworthy that collaboration with these distinguished consulting firms also played a pivotal role in the development of the ‘Socio-economic Development Strategy for 2022-2026.’

“The State Program has been aligned with global development priorities established by the United Nations and other international organizations. Notably, it reflects a harmonization with the UN’s Sustainable Development Goals (SDGs) and their associated targets, guided by principles such as ‘universality,’ ‘integrated approach,’ and ‘leaving no one behind’.

“The paramount objectives of the State Program revolve around the meticulous reconstruction, restoration, and sustainable development of the recently liberated territories, with a concurrent focus on the rapid revitalization of the national economy and the significant repatriation of residents to these areas. The program is strategically rooted in two principal goals: firstly, the sustainable settlement of the population, and secondly, the comprehensive revitalization of the region’s economic activities. Positioned as a strategic planning document, it comprises a meticulously crafted set of measures, intricately tailored to align with the overarching priorities of state policy on the liberated territories, employing a sophisticated array of governmental policy tools.

The core mission of the State Program is to address and rectify the aftermath of Armenia’s aggression against Azerbaijan, encompassing the extensive rebuilding and restoration of the liberated territories. Furthermore, it seeks to ensure the successful repatriation of the population to the region, elevate the general well-being of the inhabitants, and ultimately foster a conducive environment conducive to achieving a state of balanced and sustainable development within the region.”

“The key focal points of the State Program encompass several strategic directions. These include establishing secure living conditions and effective government oversight in the liberated territories, undertaking comprehensive urban, settlement, and rural development projects along with the provision of essential infrastructure. Additionally, the program emphasizes the
The imperative of facilitating the return of the population and fostering the creation of sustainable communities in the region. Strategically, the program commits to the construction of strategically vital and comprehensive infrastructure that supports both the development and reintegration of the territories into the broader economic landscape. Furthermore, it aims at seamlessly integrating the local economy with both domestic and international value chains, thereby ensuring a sustainable settlement.

“A critical facet of the program is dedicated to preserving and enhancing the natural environment in the designated area, complemented by the adoption and promotion of environmentally friendly technologies throughout the developmental processes.

The State Program encompasses six priority directions, 25 action directions, and 188 specific measures. This comprehensive framework serves as a strategic guide for the meticulous planning and implementation of initiatives aimed at fostering sustainable development and addressing diverse facets of the targeted region.”

1. **Infrastructure Establishment:**
   - Clearing liberated territories from mines and unexploded ordnance, ensuring security.
   - Construction of urban, town, and rural settlements, providing accessible, reliable, high-quality, and sustainable infrastructure.
   - Reconstruction of transport-road, communication, water, gas, electricity, heating, etc. infrastructure.

2. **Economic Rebuilding:**
   - Forming an entrepreneurial environment by attracting new investments.
   - Ensuring the development of entrepreneurship, with a focus on small and medium enterprises.
   - Involvement of new plots of land in agricultural circulation.
   - Restoration of agricultural fields and livestock farms, along with the establishment of modern irrigation infrastructure.
   - Implementation of sustainable agricultural practices for productive food production systems.
   - Strengthening local economic potential and integration into economic circulation.
   - Achieving sustainable and balanced socio-economic development of territories.
   - Development of the tourism sector.

3. **Social Progress:**
   - Ensuring sustainable development and creating comfortable living conditions.
   - Elevating the standard of living of the population, particularly focusing on strengthening the social protection of vulnerable population groups.
   - Provision of education, health, and social services in accordance with advanced standards.
   - Increasing the size of the housing fund in the country.
   - Expanding employment opportunities for the population.
   - Broadening the scope of social services.

4. **Balanced Environmental Development:**
   - Ensuring environmental protection.
   - Efficient utilization of natural resources.
   - Expanding the use of renewable energy sources.
   - Promoting the application of ‘Smart City,’ ‘Smart Village,’ and ‘Green Energy Zone’ concepts.”

“Throughout the restoration and reconstruction of the liberated territories, the timeline for clearing these areas from mines and unexplod-
ed ordnance may extend beyond the initially projected period, posing potential challenges to the seamless implementation of the State Program’s priorities. To address this concern, we will explore the application of advanced practices from other nations, as well as leverage insights from international governmental and non-governmental organizations experienced in mine clearance and disposal of explosive remnants. Additionally, we will explore potential collaborative opportunities to optimize the efficiency of these critical processes.”

Integration of volunteerism into National Policies for 2030 Agenda on SDGs

The Government of Azerbaijan admits that the integration of volunteerism into national policies is a crucial strategy for directly referencing and contributing to the Sustainable Development Goals (SDGs). In that case, also Azerbaijan acknowledges that volunteerism plays a pivotal role in advancing sustainable development by mobilizing individuals and communities to actively participate in addressing local challenges and achieving SDG targets. By embedding volunteerism into national policies, governments can harness its potential to accelerate progress towards the SDGs across various sectors.

The Law of the Republic of Azerbaijan on Youth Policy designates youth volunteering as socially beneficial and non-profitable activities, reinforcing the definition established in the Law on Voluntary Activities. Moreover, it emphasizes the state’s responsibility to promote volunteering among young people. Notably, Article 5.5 introduces the concept of mutual assistance groups between young individuals in the risk group and volunteers, recognizing the importance of such support in “Youth House” social service institutions.

In 2013, the Organization of ASAN Volunteers, volunteer organization under patronage of the State Agency for Service and Social Innovations under the President of the Republic of Azerbaijan (ASAN Service), was established. Today, ASAN Volunteers have 36,000 volunteer members and for the last 10 years ASAN volunteers assisted 70 million citizens with provision and access to public services. By these, a new mechanism of volunteering in governmental organizations is formed. One of the main directions of volunteering program in “ASAN Service” Centers beyond the provision of public services is career development. To date, more than 3,300 young people have been provided with jobs through the ASAN Volunteers. (Contribution to SDG 10, 16)

In 2019, President Ilham Aliyev called on all state organizations to involve volunteers in their activities. In a short period of time in 2019-2023 more than 30 government organizations started volunteering programs. This practice was also implemented in the majority of local executive power bodies.

Due to the Decision of the Cabinet of Ministers of the Republic of Azerbaijan “On approving the state standard and programs (curricula) of the general education level”, one of the values integrated in the competencies framework for students at the level of full secondary education is “he/she interprets his/her responsibility to the society, participates in social projects, engages in volunteer activities”.

“Bir” student-volunteer program established by the Ministry of Science and Education in 2015 to systematize interactions with student-volunteers, stimulate volunteering activities, and ensure effective utilization of students’ leisure time is a good practice that helped to form volunteer groups in the major state universities and colleges. In 2023, Ministry of Science and Education and “Bir Volunteer” organization started “School Volunteers” program to form volunteer groups in secondary schools initially open to 8th-11th grade students in Baku, Sumgait and Ganja. 698 students participated in the interview stage of the program and 327
of them have been selected. Information sessions were carried out - in 11 schools for 1650 students. The purpose of the program is to form the profile of socially active and socially responsible schoolchildren and to inculcate the culture of volunteering in students. In addition to other activities, within the framework of the Program, the formation of career clubs within the school, as well as the organization of school language, sports, and art clubs for the effective organization of leisure time, and the leadership of these clubs by the schoolchildren themselves, are envisaged. (Contribution to SDG 4, 8)

Subsection 3.1.3 of the Action Plan of the “I State Program on the Great Return to the territories liberated from occupation of the Republic of Azerbaijan” implies the implementation of voluntary programs for internally displaced youth in liberated territories to facilitate the return of the population to their settlements and to encourage the participation of young people in this process. “Return Volunteers” program was formed with the support of the relevant special representatives of the President of the Republic of Azerbaijan in the territories liberated from occupation, Azerbaijan Youth Foundation, and the Union of Voluntary Organizations of Azerbaijan in order to implement the relevant subsection of the State Program. “Return Volunteers” Program was formed in order to contribute to the implementation of extensive construction and restoration works in the Karabakh and Eastern Zangezur economic regions of Azerbaijan. The purpose of the program is to promote volunteering in the liberated territories, to support the volunteering of young people originally from those territories, to ensure the participation of volunteers in reconstruction and restoration works, and as a result, to contribute to the return of IDP young people to the liberated territories. Within the framework of the program “Agdam Volunteers”, “Shusha Volunteers”, and “Zangilan Volunteers” groups were formed in 2022. 2,302 IDP youths from those regions applied to the program and more than 100 from them was selected to be represented in volunteer groups. The initial basic trainings for volunteers were carried out, and their involvement in the organization of relevant events in the territories freed from occupation was ensured. Program is being implemented with the support of the relevant Special Representatives of the President of the Republic of Azerbaijan in the liberated territories, Azerbaijan Youth Foundation, and the Union of Voluntary Organizations of Azerbaijan. (Contribution to SDG 16)

Survey carried out by UNV in Azerbaijan on volunteer contributions to SDGs

Survey conducted by UNV in February 2024 to feed into VNR Azerbaijan 2024 Report gathered data from 16 volunteer organizations, 43,8% of which are non-governmental organizations, 31.3% - volunteer programs or groups of government institutions, and 24,9% have other organizational forms.

Respondent volunteer organizations reported that they contributed to all 17 SDGs. Mainly, to the SDG 4: Quality Education (50% of respondents), SDG 17: Partnerships for the Goals (43,8%), SDG 15: Life on Land (37,5%), SDG 5: Gender Equality (31,3%), SDG 9: Industry, Innovation and Infrastructure (31,3%).

The survey showed that all respondent volunteer organizations target beneficiaries include youth. 50% of them targets also kids and adolescents. 31.3% of volunteer organizations targets elders. Also, 25% of respondent volunteer organizations targets groups such as refugees and IDP’s, persons living in poverty, persons with disabilities and care to animals. 75% of respondent volunteer organizations actively engaged in providing services to a person or a community and 50% of respondent organizations are involved in campaigning to create awareness and education on different issues.
4. ASSESSMENT OF ECONOMIC, SOCIAL, AND ENVIRONMENTAL DIMENSIONS AT THE MIDPOINT OF 2030
Economic Progress
Social Advancements
Environmental Sustainability

As we move forward it is imperative to recognize that sustainable development requires the balanced integration of economic, social, and environmental dimensions. Integration of these three dimensions is an urgent shift in policy approach because of the widening income and other gaps in societies and the breach of planetary boundaries, which places humanity increasingly at risk.

The basic premise for integration is that the economic, social and environmental dimensions are interrelated and, for the most part, indivisible aspects of a whole system. People and the nature of the society in which they live are shaped by and, in turn, shape the economies that support their livelihoods and enhance their overall quality of life. Environments provide life-giving and economically important services to economies and to people.

Accordingly, the 2030 Agenda for Sustainable Development and its framework of 17 Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in September 2015 stress that eradicating poverty and ensuring that no one is left behind are priorities for the global community. The 2030 Agenda expresses the Member States’ determination to “protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.”

Azerbaijan’s path towards sustainable and inclusive development is marked by intricate interlinkages between its economic, social, and environmental dimensions. Navigating these complexities with a holistic approach that aligns with the Sustainable Development Goals has been at the heart of the national development strategies. Namely the “Azerbaijan 2030: National Priorities for Socio-Economic Development” and the “Strategy of Socio-Economic Development in 2022-2026” identified the following five national priorities for the country’s socio-economic development:

i) a steadily growing, competitive economy;
ii) a dynamic, inclusive society based on social justice;
iii) areas of modern innovations and competitive human capital;
iv) the great return to the territories liberated from occupation;
v) a clean environment and country of “green growth”.

These priorities are a vivid indication of the Government’s efforts towards balancing economic diversification, social inclusivity, and environmental sustainability for the country’s prosperity and sustainable development.

Guided by these national priorities, the current chapter reviews to what extent Azerbaijan’s progress on Sustainable Development Goals has been balanced across economic, social, and environmental dimensions and whether trade-offs among the SDGs were observed and how those could be mitigated. For this purpose, the following sections will provide succinct analysis of the country’s progress in terms of multiple capitals concept as well as review the SDG interlinkages and acceleration pathways.

The notion of capital is central to economics, whereby capital stocks provide the flows of goods and services that contribute to human well-being. In conventional economic thought, economic growth means that produced capital tends to become the core focus and central asset and the most important indicator of a country’s wellbeing. It is vital, however, that other forms of capital, such as human capital and natural capital, are taken into consideration when examining economic growth and progress. Recognition of multiple capitals is key for sustainable development as it ensures that the singular focus on investing in any one
Economic dimension

Figure 1. GDP growth, GDP per capita and growth
(Source: Ministry of Economy of the Republic of Azerbaijan)

Azerbaijan’s GDP experienced substantial growth from 2010 to 2023, signaling a robust economic performance. Notable fluctuations were observed, characterized by significant peaks and troughs, possibly influenced by global economic factors and internal dynamics. The GDP per capita, indicating economic output per individual, displayed a general upward trend despite fluctuations, reflecting enhancements in living standards and economic prosperity.

Assessing the contribution of the non-oil sector to GDP is crucial for evaluating economic diversification efforts. Over the years, steady growth in the non-oil sector has been evident,

Figure 2. Capital Investment (mln. Azerbaijan manat)
(Source: Ministry of Economy of the Republic of Azerbaijan)
suggesting progress in reducing dependence on oil revenues. This trend underscores a strategic shift towards a more balanced and sustainable economic model.

The real growth rate, adjusted for inflation, reflects the pace of economic expansion. While fluctuations are discernible, Azerbaijan's economy has exhibited resilience and sustained growth overall. Peaks and troughs in the growth rate correspond to global economic trends and internal factors, showcasing the economy's adaptability to external pressures. Azerbaijan's economy has demonstrated resilience amidst global economic uncertainties, with periods of robust growth interspersed with slight contractions. Efforts towards economic diversification, particularly evident in the growth of the non-oil sector, signify a strategic shift towards a more balanced and sustainable economic model.

Despite challenges such as fluctuations in global oil prices and geopolitical tensions, Azerbaijan has maintained a positive trajectory in economic growth and development. The analysis of these economic indicators underscores Azerbaijan's remarkable progress and resilience in navigating economic challenges while laying the foundation for sustainable growth and development in the future. Azerbaijan's economy has shown remarkable progress and resilience over the period of 2010-2023. Despite facing various challenges, including external economic pressures and internal dynamics, the country has managed to sustain growth and undertake strategic initiatives towards economic diversification. Moving forward, continued efforts towards diversification and resilience-building will be essential for ensuring sustainable economic development in Azerbaijan.

In 2020, the economy contracted by 4.2%, due to the COVID-19 pandemic and the collapse
The 4th Voluntary National Review

in energy prices. The economy has since rebounded from the shock, surpassing pre-COVID-19 output with 5.6% growth in 2021 and with the recovery continuing in 2022 at 4.6%. While the energy sector GDP contracted 2.7%, with a 5.6% fall in oil production partly offset by 7.3% growth in gas output, the overall GDP growth in 2022 was driven by 9.1% growth in the non-energy sector.

Azerbaijan’s macro-economic stance has been strong recently. With the upsurge of global energy prices, the country’s external revenues boosted taking the current account surplus to 29.7% of GDP in 2022. The country recorded an overall fiscal surplus of 5.4% of GDP in 2022. Surge in global commodity prices and supply chain disruptions triggered by COVID-19 and geopolitical instability have elevated the inflationary pressure in the economy.

In addition, over the period of time from 2010 until 2023 capital investment in Azerbaijan has displayed fluctuations over the past decade, influenced by various economic factors and government policies. The following graph illustrates capital investment in Azerbaijan from 2010 to 2023, measured in millions of Azerbaijani manat.

During the period from 2010 to 2013, there was a consistent increase in capital investment, signaling robust economic expansion. However, subsequent years saw fluctuations in capital investment, with peaks and troughs reflecting changes in economic conditions and investment priorities. Notably, 2013 and 2019 emerged as peak years for capital investment, indicative of strong investor confidence and significant investment inflows. Conversely, years like 2015 and 2021 witnessed declines in capital investment, possibly attributable to economic challenges or shifts in government policies.

External factors such as global economic conditions, oil prices (given Azerbaijan’s reliance on oil revenues), and geopolitical dynamics may have influenced capital investment trends. For example, fluctuations in oil prices could have constrained government spending and private investment, leading to reduced capital investment in certain years.

Government policies, encompassing fiscal measures, infrastructure projects, and investment incentives, play a pivotal role in driving capital investment. Periods of heightened government spending or strategic initiatives often coincide with increased levels of capital investment, as evidenced in years like 2013 and 2019.

Analyzing capital investment by sector can yield insights into the drivers of economic growth and development. Sectors such as energy, infrastructure, construction, and manufacturing typically receive significant capital investment, contributing to employment generation and overall productivity.

Sustained levels of capital investment are indispensable for fostering long-term economic growth, enhancing competitiveness, and improving living standards. Policy continuity, investor confidence, and efficient resource allocation are critical in maintaining an environment conducive to capital investment.

Capital investment in Azerbaijan has exhibited promising growth alongside periodic challenges over the past decade. Understanding the underlying drivers and implications of these trends is imperative for policymakers, investors, and stakeholders to make informed decisions and support sustainable economic development.

**Social dimension**

The most significant outcome of economic progress has been the dramatic reduction of
the national poverty rate from 49% in 2001 to 4.8% in 2019 (Figure 3). Despite rising to 6.2% in 2020 due to the COVID-19 pandemic, poverty rate fell to 5.5% in 2022. The unemployment rate was under 5% since 2010 but surged to 7.2% in 2020 due to the pandemic before stabilizing at 5.6% in 2022. Unleashing the productivity growth in agriculture and expansion of high-skill employment will be important going forward.

Over the last 10 years the monthly minimum wage in the country increased 3.3 times and as of 2022 amounted to 345 manats (US$ 203), the average monthly salary has grown by 2 times and reached 840.0 manats (US$494.1). The minimum amount of pension has increase 2.4 times.

Azerbaijan has prioritized ensuring effective and equitable social security system for the poor and vulnerable to poverty and for peo-

<table>
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<tr>
<th>Educational attainment of the population</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
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<td>Overall</td>
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<td>968</td>
<td>972</td>
<td>974</td>
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<tr>
<td>completed secondary education</td>
<td>601</td>
<td>628</td>
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<td>570</td>
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<td>570</td>
</tr>
<tr>
<td>general secondary education</td>
<td>134</td>
<td>131</td>
<td>130</td>
<td>99</td>
<td>99</td>
<td>99</td>
</tr>
</tbody>
</table>

Source: Statistical bulletin: Education, Science and Culture in Azerbaijan, 2023

Source: Statistical bulletin: Healthcare, Social protection and Housing conditions in Azerbaijan, 2023
people with disabilities, including minors with health-related setbacks. To this end, coverage of the population by at least one social protection benefit increased from 40.3% in 2016 to 49.2% in 2022. Universal coverage of persons with severe disabilities with disability benefits has been achieved. Positive development is observed with regard to unemployment benefit, which is critical to sustain the livelihoods as well as to support upskilling and re-skilling of unemployed persons, the coverage of which increased from 1.6% in 2016 to 19.1% in 2020.

It is known that human capital is a key driver of sustainable growth and poverty reduction. Human capital is at the core of any successful strategy to boost productivity and meet challenges associated with economic diversification, green transition, and recurrent shocks and crises. Human capital – the knowledge, skills and health that people accumulate over their lives – plays an essential role in promoting individuals’ welfare over their lifespans, driving economic development at country level, and fostering a cohesive society.

Azerbaijan has substantially improved human capital outcomes, becoming one of the top global human capital improvers, measured by changes in the World Bank’s Human Capital Index (HCI) between 2010 and 2020.

The literacy rate of the population is high in Azerbaijan and according to the results of the 2019 population census it was 99.8%. Accordingly, the national statistics indicates high rates of educational attainment at primary and secondary levels. Consideration on further attention is the secondary specialized and vocational education attainment level, which if not addressed might create skills mismatch in the labour market. An effective skills development infrastructure in Azerbaijan is not only necessary to improve labor productivity across economic sectors, but also a key ingredient for attracting FDI, as highlighted by foreign businesses.

In its Socio-economic Development Strategy for 2022-2026 Azerbaijan has set ambitious goals on improving education outcomes, including the improvement of coverage of early childhood education by increasing the share of children aged 1 to 5 attending early childhood education to 50%, implementing a competency-based secondary school curriculum, improving the coverage and quality of vocational education, enhancing the access to higher education to all children regardless of household income levels and others.

Figure 6. Freshwater withdrawal as a proportion of available freshwater resources (%)

Figure 7. Water productivity (US$/m³)

Source: Statistical Bulletin: Environment in Azerbaijan, 2023
Concerning the health outcomes, Azerbaijan’s performance on maternal and infant mortality rates have been improving, but with a changing success. While infant mortality had been gradually decreasing in the last decade, it slightly increased in 2022 (Figure 4). Maternal mortality rate, on the contrary, had been deteriorating between 2015 and 2021, but started to decline in 2022 (Figure 5).

The Socio-economic Development Strategy 2022-2026 also envisions the creation of an accessible, high-quality and state-of-the-art healthcare system to all regardless of age, social status, and location. State-of-the-art healthcare is to be developed in urban and rural areas along with promotion of healthy-life styles. Consequently, life expectancy at birth is expected to go up from 73.2 to 75.2 years. However, according to the SSC, the life expectancy at birth for 2022 reached to 76.0 years. Importantly, the Government intends to increase the share of healthcare services as a percentage of GDP from the current 2% to 4.3% by 2026, which is very timely as on financial coverage part of the universal health coverage index.

Environmental dimension

Non-renewable natural capital represents the largest share of natural capital in Azerbaijan. More than half of the country’s assets, 53 percent, is concentrated in its natural capital, of which fossil fuels account for over 80 percent. Even though the share of natural capital somewhat declined from its peak of 68 percent in 2011, it is still much greater than that of its regional and aspirational peers.

Cropland, followed by pastureland, is the country’s largest renewable natural capital asset. Since the late 1990s, Azerbaijan’s renewable natural capital increased by about 25 percent, as compared to a five-fold increase in its non-renewable natural capital for the same period. But even as cropland increased in terms of the number of hectares, in per capita terms, it started to decline starting in 2013. This is partially explained by the fact that the growth in per unit cropland rent did not fully compensate for the rapid population growth that has occurred since the mid-2000s. Investment in sustainable agriculture can be one way to diversify Azerbaijan’s asset mix.

Among natural assets, water resources play a critical role for the sustainable development of Azerbaijan, where more than 70% of water resources is generated outside the country. Given the continuing expansion of the economy, in the past decade water stress, measured in terms of freshwater withdrawal as a proportion of available water resources, has been steadily increasing reaching 57.5% in 2022 (Figure 6), and is rated high being in the range of 40-80%. The volume of water consumption has also been increasing since 2014, mainly driven by increase in irrigation & agriculture. Concerning water use efficiency, water productivity fluctuated in the past decade until falling to 3.7 USD of GDP/m³ in 2020.

The Socio-economic Development Strategy 2022-2026 accordingly sets a strategic framework for enhancing clean environment and “green growth country”. Azerbaijan plans to use natural resources in a sustainable and viable fashion. Environmentally sustainable industrialization has been identified as a critical priority along with the development of an effective waste management system.

Under the Paris Agreement on climate change the country has committed to a 35% emission reduction target by 2030 compared to the base year of 1990. At the COP26 in Glasgow in 2021, Azerbaijan announced its intention to reduce emissions by 40% by 2050 as a voluntary commitment and to create a “Net Zero Emission” zone in the regained territories. In the run-up to the COP28 Azerbaijan renewed its NDC in 2023 as follows: “The Republic of Azerbaijan, subject to its sustainable so-
cio-economic development, will seek to reduce greenhouse gas emissions by 40% compared to 1990 (base year) level by 2050 if international support is provided through financing, technology transfer and capacity building’, of which the UNFCCC secretariat has been notified.

Azerbaijan has recently updated its environmental legislation by adopting several new laws and amending existing legislation. Considerable improvements have been achieved in terms of implementation of international practices of assessment, prevention, and reduction of significant environmental impacts of different activities specified in the Annex to the 2018 Law on Environmental Impact Assessment, such as the design of projects related to exploration of carbohydrates, building of road, rail and pipeline infrastructure, construction of tourism sites, chemical and metallurgical industry sites, large scale agricultural project, etc. The Government has also stepped-up efforts to promote energy efficiency and renewable energy. Two new laws on i) rational use of energy resources and energy efficiency; and ii) the use of renewable energy sources in the production of electricity were adopted in 2021.

The share of renewables in electricity production has reduced from 18.4% in 2010 to 5.8% in 2021. Meanwhile, the adoption of the Law on renewable energy coupled with large scale renewable energy projects that are now in progress, are expected to significantly boost the share of renewables in the coming years.

Under Azerbaijan 2030: National priorities for socio-economic development, a target has been set to increase the installed capacity of renewable energy to 30% in the country’s overall energy balance by 2030 (from current 17%). For this purpose, it is planned to create a total of 1,500 MW of new generation capacities, including 440 MW in 2023, 460 MW in 2023–2025, and 600 MW in 2026–2030, at the expense of renewables. The real game-changer, however, could be Azerbaijan’s offshore wind potential of 157,000 MW. On 3 June 2022, the Ministry of Energy of the Republic of Azerbaijan, the World Bank, and the International Finance Corporation (IFC) published a new roadmap indicating the possibility to install 7GW of offshore wind power by 2040.

The Government of Azerbaijan believes that to sustain the economic growth in the long term it will be important for public policy either implicitly or explicitly prioritize investments in economic activity that does not deplete the stocks of natural, human or social capital, and that minimizes negative externalities, such as pollution, emissions and waste. Investments in enhancing the economy’s competitiveness and resilience to future shocks, inter-alia by promoting structural transformation of the economy and developing the human capital will be critical going forward. Success of such policy shifts will require improved institutional frameworks, strengthened capacities, high-level political commitment, and an inclusive and integrated vision of a sustainable future.

**SDG Interlinkages and trade-offs**

The Integrated SDG insights analysis undertaken by UNDP in support of preparations to the global SDG Summit 2023, provided a useful tool to review how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Azerbaijan to achieve the 2030 Agenda and navigate trade-offs observed under the multiple capitals situation described above. Building on national trends and priorities listed in the Socio-economic Development Strategy 2022-2026, the following SDG acceleration pathways that reflect policy choices with the most potential for the integrated acceleration of the SDGs in Azerbaijan have been proposed:

- End all forms of malnutrition
- Equal access to affordable technical, vocational and higher education
- Safe and affordable drinking water
- Increase substantially the share of renewable energy in the global energy mix
- Substantially reduce the proportion of youth not in employment, education or training
- Promote inclusive and sustainable industrialization
- Adopt fiscal and social policies that promotes equality

Ending all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons (SDG Target 2.2) addresses eradication of worst form of poverty by ensuring access to nutritious food. Main indicators showed limited progress in past decade. Prevalence of children stunting slightly reduced, from 18% in 2010 to 16% in 2020, while prevalence of anemia among women remains high (around 35%), reflecting persistent and increasing prevalence of moderate or severe food insecurity, increased from 6% in 2015 to 10% in 2020. Access to safe and nutritious food improves health outcomes and benefits educational achievements. Moreover, it links closely to SDG 8, creating employment and contributing to rural economic growth. Target 2.2 aligns with SDG 12’s emphasis on sustainable consumption and production, promoting sustainable food systems and waste reduction. By building resilient agricultural practices (2.4), Azerbaijan can mitigate climate change impacts and support climate action (13), while maintaining viability of ecosystems, especially mountainous (15). Ultimately, ensuring food security fosters social stability, reduces conflicts arising from food scarcity, and promotes effective food governance.

Ensuring equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university (SDG target 4.3) in Azerbaijan aims to ensure equal access to quality technical, vocational, and tertiary education. Azerbaijan shows high 13.5 expected years of schooling in 2021 and high upper secondary education completion rate (which was around 92% in 2011, latest data available). SDG 4.3 has important interlinkages with other SDGs, especially Goal 8 trough improving employability, reduced skills mismatches, and ensuring future readiness of the people in the workforce, and ultimately reduced poverty. This will promote equal access to labor market for women/girls and men and further empowerment of women to participate into the local labor market (5.5). Quality technical education will equip individuals with skills aligned with labor market demands, fostering decent work and economic growth (8). Ultimately, equal access to technical education will reduce inequalities, empowering left behind groups and localities, and promoting social inclusion (10).

Achieving universal and equitable access to safe and affordable drinking water for all (SDG target 6.1). In Azerbaijan most of population is using safely managed drinking water services. Access to safe and affordable drinking water is closely linked with achievement of health targets (3), both related to communicable diseases and non-communicable diseases. Sustainable water management is closely linked with sustainable urbanization (1.4, 11), sustainable agriculture (2) and industrialization (8, 9, 12). However, there are evident trade-offs between SDG targets, many of them trans-boundary. Water is actively used in agriculture (92% of total freshwater withdrawal, followed by 5% for industry). Climate change (13) makes access to safe and affordable drinking water for all a challenging task. Industrialization and especially mining (8, 9) increases the risks from toxic and radioactive waste.
Increasing substantially the share of renewable energy in the global energy mix (SDG target 7.2). Access to affordable and sustainable energy is crucial for Azerbaijan development. Affordable and reliable energy (7.1) plays a key role in reducing income poverty (1), including energy poverty (1.4), by enabling income-generating activities (8) and improving living conditions. It is vital for healthcare facilities (3) and access to education (4). Moreover, affordable energy drives economic growth, job creation, and entrepreneurship opportunities (8), particularly in rural and urban areas (10, 11). Sustainable energy sources contribute to mitigating climate change by reducing greenhouse gas emissions (13), promoting renewable energy, and supporting the transition to a low-carbon economy (12). Industrialization (9) will put further demand to ensure universal access to affordable, reliable, and modern energy services, and possible trade-offs between availability of energy and use of renewables.

Substantially reducing the proportion of youth not in employment, education or training (SDG target 8.6). Azerbaijan has relatively young (some 26.4% below age 18) and growing population. By promoting decent work, Azerbaijan can contribute to poverty reduction by providing individuals with opportunities for sustainable income generation and economic empowerment. Decent work contributes to longer-term economic growth and development. By promoting employment opportunities with fair wages, job security, and social protection (10), Azerbaijan can create a more productive workforce, increase household incomes, and stimulate economic activity.

Promoting inclusive and sustainable industrialization, and by 2030, significantly raising industry’s share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries. (SDG target 9.2). SDG 9.2 aims to foster inclusive and sustainable industrialization in Azerbaijan while simultaneously enhancing its economic growth (8). Despite recent improvements, manufacturing value added as a proportion of GDP and slightly low in Azerbaijan (around 5.0% in 2022). However, the pursuit of industrialization also entails tradeoffs. It requires careful consideration of environmental sustainability, as industrial activities can have adverse ecological impacts-affecting ecosystems (15, 2), potable water (6), health of people (3). Rapid industrialization could put pressure on energy access (7.2) at the expense of energy sustainability (7.2, 7.3). Ensuring inclusivity in this process is crucial to prevent potential social, gender, and territorial inequalities (10, 5).

Adopt policies, especially fiscal, wage and social protection policies, and progressively achieving greater equality (SDG target 10.4). By implementing fiscal, wage, and social protection policies, Azerbaijan can strive towards reducing income inequality (10.1) and promoting inclusive growth (8.1, 8.3). This aligns with other SDGs, such as SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth), as addressing inequality contributes to poverty eradication (1.1, 1.2), more equal access to economic resources and opportunities (1.4) and sustainable economic development (8). Fiscal, wage, and social protection policies could be crucial elements for achieving gender equality (Goal 5) and closely related to Rule of Law and Responsive Governance. However, pursuing greater equality may require tradeoffs, such as adjustments in fiscal priorities and resource allocation (17), ensuring effective governance (16), and balancing protection and employment incentives (8.3). Balancing these tradeoffs is crucial to ensure that policies aimed at achieving SDG 10.4 are effectively implemented, leading to a more equitable and prosperous future for Azerbaijan.
5. STRATEGIC ALLIANCE ARCHITECT: STRENGTHENING THE PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT GOALS IMPLEMENTATION
5.1. NATIONAL LEVEL PARTNERSHIP: HIGH-LEVEL DIALOGUES ON SUSTAINABLE DEVELOPMENT GOALS (SDGs)

2030 Agenda on the Sustainable Development Goals represent a comprehensive and complex framework, the successful implementation of which necessitates a whole-of-society and a whole-of-Government approaches.

As it was highlighted by the UN Deputy Secretary General, “the 2030 Agenda is the most ambitious, universal, people-centered and planet-sensitive set of goals and targets ever conceived by United Nations. It is the global community’s roadmap to transform our world. Our efforts to leave no one behind will be a test of our common vision, resolve and ingenuity. A whole-of-government and whole-of-society approach must become our new norm. Meaningful multi-stakeholder partnership will be fundamental in the design, implementation, financing, and evaluation of development solutions”.

Fulfilling the country’s commitments on the SDGs has been an integral part of the state policy in Azerbaijan. Within this framework, the Government of Azerbaijan established high-level institutional mechanism, a National Coordination Council Sustainable Development (NCCSD) with a Secretariat in the Ministry of Economy, to ensure and facilitate inclusive stakeholder participation and consolidate core resources to translation of global SDGs into a national context by aligning national plans and strategies with the SDGs. The National Coordination Council on Sustainable Development has proven itself as an important mechanism to ensure a whole-of-government approach in Azerbaijan’s drive towards the attainment of SDGs.

Azerbaijan has always paid particular attention on fostering broad partnerships at national, regional, and international levels to share experiences, facilitate knowledge exchange and catalyze innovative solutions for the accelerated implementation of the SDGs. In this regard the country actively hosts international and regional conferences on most pressing issues under the SDG framework. Examples of SDG-oriented international conferences and forums include the first and second National Urban Forums focusing on SDG 11; international conference on mine action promoting the national SDG 18 on actions to combat mine-threats; International conference on food systems and food security focusing on SDG 2 and many others.

Furthermore, the Government of Azerbaijan sought to leverage the capacities, networks, skills and resources of civil society, the private sector, academia, statistical bodies, local community associations and youth groups in pursuit of national SDG acceleration pathways through a collective effort. In this regard, in 2022 the National Coordination Council on Sustainable Development, in collaboration with the UN Office in Azerbaijan, led the launch of a multi-stakeholder policy dialogue platform - SDG Dialogues series - to promote a whole of society approach in the implementation of the Agenda-2030 and the Sustainable Development Goals in Azerbaijan.

This chapter further provides brief highlights of the key initiatives of the Government of Azerbaijan aimed at facilitating multi-stakeholder engagement in the national efforts on SDG implementation in the country.

SDG Dialogues series

The Sustainable Development Goals Dialogues series aim to serve as a platform for key stakeholders – the Government, the UN, private sector, civil society, International Financial Institutions, and development partners - to catalyze knowledge, bring international best practices,
and facilitate innovative solutions to provide hands-on support to the Government of Azerbaijan, and the National Coordination Council Sustainable Development in the implementation of national priorities within the Azerbaijan 2030 Strategy and the Agenda 2030. The “SDG dialogues” have a flagship product called “Policy Briefs”. Policy briefs represent a five-to-seven-page analytical note consisting of short background analysis, some examples of international best practices and a section with practical policy recommendations on a subject matter under concern. Primary audience of policy briefs is the Government of Azerbaijan, including the Coordination Council on Sustainable Development and line ministries. The policy briefs are also made publicly available via the Government and UN communication platforms, thus serving as a knowledge sharing tool on SDG acceleration agenda for the

*First SDG Dialogue on “Green transformation in Azerbaijan”*
wider audience. The structure and functioning principles of SDG Dialogues is presented in the below diagram.

On 2 November 2022 the first SDG dialogue on “Green transformation in Azerbaijan” was held. The thematic focus of the first SDG Dialogue was timely and important considering the triple planetary crisis the world is facing, as well as the priority attached by the Government of Azerbaijan on green transformation. It aimed at building broad based support to the implementation of the “Azerbaijan 2030: National Priorities for Socio-Economic Development” and the “Strategy of Socio-Economic Development in 2022-2026” which identified a clean environment and country of “green growth” as one of the five priority directions of the country’s development up to 2030.

The SDG Dialogue also provided an opportunity to inform the country’s preparations to the UNFCCC Conference of the Parties (COP-27) held in Sharm el-Sheikh, Egypt, from 6 to 18 November 2022. The country has set a target to achieve a 35% reduction of greenhouse gas emissions by 2030, and a 40% reduction by 2050 compared to the baseline year of 1990. Furthermore, at the COP26 Azerbaijan announced its intention to create a “Net Zero Emission” zone in the liberated territories. The participants of the first SDG Dialogue reviewed Azerbaijan’s progress towards achieving the green growth indicators and reflected on proposed policy measures to accelerate the country’s green transformation and progress toward the SDGs. By building on the discussions and commitments voiced during the first SDG Dialogue, a Policy Brief was developed documenting the summary of the analysis of the country’s green growth progress, as well as proposing a set of policy recommendations on acceleration of green transformation in Azerbaijan. Policy Brief of the first SDG Dialogue is provided in Annex 1 of this report.

Second SDG Dialogue on “Towards 2030: Social and economic inclusiveness in Azerbaijan”

The second SDG Dialogue held on 14 June 2023 was dedicated to the theme “Towards 2030: socio-economic inclusion in Azerbaijan”. Given that the “Azerbaijan 2030: National Priorities for socio-economic development” and “Socio-economic Development Strategy of the Republic of Azerbaijan for 2022-2026” have identified a dynamic and inclusive society based on social
justice as one of the five national development priorities, as well as considering that the issues of inclusive economic development and social inclusion are considered critical for the achievement of 88 targets and 119 indicators selected as national priorities for Azerbaijan in the “Transformation of our world: sustainable development agenda until 2030”, the second SDG Dialogue provided a platform to discuss the ways for further enhancing social inclusion of vulnerable groups - unemployed youth, IDPs, migrants, rural people, the elderly population, people with disabilities and others- and ways to facilitate their effective and meaningful participation in socio-economic processes.

The second SDG dialogue reviewed Azerbaijan’s progress on inclusive growth using an Inclusive Growth Index (IGI) proposed by the UNCTAD and reflected on additional policy measures needed to enhance the inclusive-
ness of economic growth and progress toward the SDGs. Building on the discussions during the SDG Dialogue, participants adopted joint commitments for action on enhancing inclusive growth and social inclusion in Azerbaijan, which were also proposed to serve as a contribution to Azerbaijan’s National Commitments to SDG Transformation at the global SDG Summit in September 2023. Commitments of the second SDG Dialogue have found their way in the Policy Brief on socio-economic inclusiveness in Azerbaijan.

Third SDG Dialogue on “Reflections on the Outcome of the Global SDG Summit 2023 and the role of Supreme Audit Institutions in SDGs implementation”


The Government of Azerbaijan extensively supported the global discussions and the Political Declaration of the SDG Summit 2023, and among 32 countries in the world, submitted its National commitment to SDG Transformation, which builds on the Strategy of socio-economic development for 2022-2026, the State Programme on “The great return to the liberated territories of the Republic of Azerbaijan”, the national efforts on introduction of Integrated National Financing Frameworks (INFFs), the Sustainable Finance Roadmap of the Central Bank of Azerbaijan, as well as on the commitments of the first and second SDG Dialogues.

At the third SDG Dialogue, members of the delegation of Azerbaijan who took part at the global SDG Summit shared their insights from the Summit discussions and announced the National commitment on SDG Transformation submitted by Azerbaijan as part of the SDG Summit. The discussions held during the SDG Dialogue touched upon the measures needed for SDG acceleration and financing in Azerbaijan.

As part of SDG acceleration measures discussed around the world, public spending is said to carry a critical role in financing of SDGs given that state budgets are the main instruments of financing development needs. Increasing number of countries in the world are taking measures to raise the effectiveness

Panel discussion at the Third SDG Dialogue on “Reflections on the Outcome of the Global SDG Summit 2023 and the role of Supreme Audit Institutions in SDGs implementation”
of public spending on SDGs. Accordingly, the third SDG Dialogue also focused on reviewing the SDG financing trends in Azerbaijan and the role of Supreme Audit Institutions (SAI) in monitoring of the performance of Government institutions in SDGs implementation as well as the effectiveness of public expenditures on SDGs. Given that the SAI of Azerbaijan undertook performance audit on five SDGs in 2022 and 2023, the third SDG Dialogue facilitated a platform to share the early findings of these audit exercises with stakeholders and the broader audience. Third SDG Dialogue also brought together the representatives of SAIs from other countries to share their experiences in performance audits and ensuring the effectiveness of public spending on SDGs.

**Fourth SDG Dialogue on “Stakeholder consultations on 4th Voluntary National Review of Azerbaijan and Economic empowerment of Women and progress on SDG 5”**

On May 7, 2024, the Fourth SDG Dialogue, focused on stakeholder consultation for Azerbaijan’s 4th Voluntary National Review (VNR) and women’s economic empowerment for SDG 5 acceleration, brought together over 140
representatives from government agencies, the United Nations (UN), international financial institutions (IFIs), the diplomatic community, the private sector, civil society, and academia. Organized by the National Coordination Council on Sustainable Development of Azerbaijan, the Ministry of Economy, and the UN, the event centered on the 4th VNR report of Azerbaijan and the main findings of the International Labour Organization (ILO) assessment titled “Care at Work in Azerbaijan: Investing in Care Leave and Services for a More Gender-Equal World of Work.”

With an expanded focus, the Fourth SDG Dialogue provided a platform for broad consultation on the draft 4th VNR report of Azerbaijan among national development stakeholders. It facilitated knowledge exchange and discussions on global and Azerbaijan-specific challenges in achieving SDG 5, particularly regarding women’s economic empowerment.

The Fourth SDG Dialogue also facilitated South-South exchange of VNR experiences between two Non-Aligned Movement countries, Azerbaijan and Lao P.D.R, participating in the VNR twinning initiative facilitated by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). This Dialogue marked the successful continuation of the SDG Dialogue series, serving as a platform for key stakeholders—including the Government, the UN, the private sector, civil society, international financial institutions, and development partners—to discuss SDG-related policies, share knowledge, bring in international best practices, and facilitate innovative solutions. These efforts aim to provide hands-on support to the Government of Azerbaijan in implementing national priorities within the Azerbaijan 2030 Strategy and the Agenda 2030.

5.2. INTERNATIONAL LEVEL PARTNERSHIP

The United Nations-Azerbaijan Sustainable Development Cooperation Framework 2021-2025 (UNSDCF) came at a pivotal time when the Government was about to embark on a new national development cycle—envisioned towards 2030—while also addressing the socio-economic impact of the COVID-19 pandemic and the devastating consequences of the conflict in and around the Karabakh region. Thus, the CF focused on key national priorities and challenges to achieving the SDGs in this turbulent context. The prioritization of actions and theory of change were shaped by evidence generated through the Common Country Analysis (CCA), with strategic priorities being established at the national Strategic Prioritization Workshop (SPW) by bringing together the comparative advantages of United Nations entities, the Government, development institutions, the private sector, and civil society. The CCA identified six major areas to scale up efforts to attain the SDGs: (i) the income-generating ability of young people and other groups such as women and small farmers, who remain vulnerable to economic shocks; (ii) the quality and reach of public services to the most vulnerable in society, including in the education, health, and justice sectors; (iii) environmental pollution and degradation; (iv) spatial and gender inequalities; (v) institutional capacity to design evidence-based development policies; and (vi) the enduring consequences of the conflict in and around the Karabakh region. Using the results of the CCA, the United Nations Country Team (UNCT) and the Government of Azerbaijan identified accelerators and catalytic interventions that address bottlenecks impeding progress. The vision that emerged from the CCA process and capacity gap analyses was narrowed down into four priority areas,
five outcomes and 18 outputs for the UN development system to focus on over the period of 2021-2025:

**Priority Area 1:** Inclusive growth that reduces vulnerability and builds resilience - focuses on strengthening the inclusive growth agenda to reduce vulnerability and build more resilient markets, communities, and households. By 2025, people furthest behind will participate in and benefit from a diverse and innovative economy encompassing future-oriented labor market transformation and access to decent work. The aim here is to advance equitable opportunities for economic participation and realization of the right to work, a process that will yield benefits for every section of society. Investment in this priority area includes linkages with the macroeconomic and microeconomic determinants of growth, implying a focus on micro, small to medium enterprises (MSMEs) across agricultural and other value chains, as well as improving conditions for equitable labor markets.

**Priority Area 2:** Stronger institutions for better public and social services delivery - aims to build stronger institutions for public and social services delivery, including in the areas of education, health, and access to information and justice. By 2025, people furthest behind will benefit from enhanced national capacities and governance structures, strengthening both access and quality of services in those areas. Using Azerbaijan’s international human rights commitments as a baseline, pathways are explored to enable a policy shift that improves frontline services, removes spatial (urban/rural) and gender inequalities, supports digitization, promotes decentralized service delivery, and engages civil society. To ensure that these policy changes are backed up by evidence that no one has been excluded, this priority area stresses the need to increase national capacity to identify and target the most vulnerable in society.

**Priority Area 3:** Protecting the environment and addressing climate change - promotes an environmentally conscious economic recovery, recognizing that energy transition is seen as a tool to balance energy security, economic development, and environmental protection. As the impact of climate change on water resources becomes more pronounced, the protection of the environment, especially water resources, the improvement of drinking water supply, and the sustainability of wastewater management are key considerations in the areas of food and health. To ensure Azerbaijan meets its climate action goals, a green route to recovery and to building back better that benefits people who are most exposed to the adverse effects of climate change is proposed.

**Priority Area 4:** A gender-equitable society that empowers women and girls - invests towards a gender-equitable society that empowers women and girls across political, economic and social domains. Although a gender lens applies to all priority areas, the UNSDCF suggests that concrete changes in policy and practice must be sought to address the root causes of inequality and promote the full participation of women and girls in decisions affecting their lives. Efforts must also be made to ensure that the elimination of gender-based violence is recognized as a prerequisite for achieving the full range of SDGs, as it influences the underlying attitudes, decisions and practices towards sustainable development.
These four strategic priorities are jointly delivered by the Government (41 entities) and the UN system (18 UN agencies, funds and programmes: FAO, ILO, IOM, OHCHR, UNDP, UN-DRR, UNECE, UNESCO, UNFPA, UN-HABITAT, UNHCR, UNICEF, UNIDO, UNODC, UNOPS, UNV, UN WOMEN,WHO) in partnership with the civil society, private sector, academia and other development partners under the coordination of the Ministry of Economy and the UN Resident Coordinator’s Office. In the first two years of implementation $58 million has been spent while $32 million made available for 2023. 221 interventions kicked out during the ongoing programme cycle.

All comprehensive reports and essential data regarding the framework’s progress and impact can be accessed at UNINFO (www.uninfo.org), providing transparent insights into the collaborative efforts between the UN and Azerbaijan in driving sustainable development.

**Key Results**

Below, we will delve into the key results achieved within the first two years of implementing the UNSDCF, supported by crucial data and figures highlighting its impact.

In response to post conflict recovery, 23,000 people living in conflict-affected areas, including teachers, school psychologists, parents, youth, and children received immediate access to mental health and psycho-social support. A Mine Action Law and National Mine Action Standards were drafted, and the National Mine Agency was supported in clearing around land and neutralizing mines and unexploded
ordnances. Around 86,000 people and over 40,000 children improved their knowledge of the risks associated with explosive ordnance, while 45,000 people affected by the conflict received emergency and 9,000 people accessed healthcare support. Joint Recovery Needs Assessment conducted together with UN, EU and World Bank will help to further scale-up support to the people-centered multi-sectoral recovery in conflict-affected areas.

In response to COVID-19 pandemic, around 1.2 million items of personal protective and medical equipment were distributed, capacities of over 13,000 healthcare workers increased for the prevention and control of infection, vaccination and quality assurance. More than 1.5 million people were reached with messages advising on the risks of infection and on how to stay safe during the pandemic. During recovery period, 900 students received learning support, around 3,000 healthcare workers were trained and campaigns on vaccination reached about 275,000 people.

Programs on inclusive growth and decent work resulted in the creation of 910 new small businesses, building vocational skills of 34,000 people including youth, persons with disabilities, refugees and others. Vocational education curriculum was updated to fit the labor market needs and rural advisory services were capacitated. Policy recommendations were presented on formal economy, social entrepreneurship and digital solutions for remittance flow.

UN worked with the Government to provide quality education, health and social protection
services: a roadmap on health emergency management system was introduced; 35,000 children and over 9,000 pregnant women were covered under home visits; 6,400 newborns had neonatal screening; 9,700 people received free legal assistance and a mental health self-help website was launched. Child safeguarding system was piloted in 25 schools reaching 27,000 children; 10 public buildings made accessible to persons with disabilities, while the number of inclusive schools increased from 12 to 22. 1.6 million people were sensitized on child and maternal health through the digital Early Childhood Development Resource Hub and 27,000 elderly benefited from recreational and learning activities. Around 4,000 adolescents and youth received mentoring support at the Youth Career Development Centres in eight districts.

Analysis of child poverty in the country, active aging index, assessments on resilience of social protection mechanisms to shocks, gender equality in agriculture and access to credit, preschool education services, emergency response systems, health care costs, and energy-efficiency standards are some examples of UN-Government work in the area of building capacities in data collection, and research.

This graphic illustrates resource allocations towards each SDG goal, based on the available resources in Cooperation Framework across 2021-2023.

On climate action and environment, UN worked with the Government to develop the Third Environmental Performance Review, as
well as a legal review of climate change policies, with recommendations on adaptation in coastal areas, water and agriculture sectors. A financing strategy and risk-screening tools on climate impact were introduced, guidelines on criteria and standards on emission production for enterprises in energy and industry sectors were adopted, and efforts made to integrate gender and climate change into energy policies. National capacities were built on sustainable bioenergy options, management of locusts and pesticides, and on the food control and safety mechanisms to protect human health and environment. A National Strategy on Food Loss and Waste, National Adaptation Plan and a national strategy for phasing out the use of hydrochlorofluorocarbon was developed. Using new technology to rehabilitate the ancient water systems, the Kahriz Revitalization Initiative received the Energy Global Award 2021.

To advance gender equality, focus was on strengthening the response to gender-based violence through referral pathways and legal and psychosocial support to survivors. Formulation of the National Action Plans on Gender Equality and Women’s Empowerment and the implementation of UN SC Resolution 1325 was also supported. Gender equality approaches were mainstreamed into the National School Improvement Plan and the curricula of the Azerbaijani Institute of Theology. Awareness campaigns focused on responsible fatherhood, egalitarian family, gender issues in religion and value of a girl child. A technical review and recommendations on the Labour Code led to the reduction of prohibited professions for women from 674 to 204 by the Parliament. First National Conference on Gender-Based Violence Responders discussed challenges and best practices to help address violence against women and girls. With advocacy, 14 new private sector members joined the UN Global Compact, and 14 new companies became signatories to the Women’s Empowerment Principles committing themselves to empowering women in the workplace, marketplace and community.

Furthermore, in the framework of international partnerships, the UN and other significant international platforms have adopted relevant documents to which Azerbaijan is a party, calling for the implementation of the Sustainable Development Goals (SDGs) at a global level. In this context, Azerbaijan, as a donor country, includes classifications supporting the implementation of the SDGs in other countries in its annual reports on official development assistance (ODA) and other relevant presentations. During the years 2021-2023, Azerbaijan continued its active engagement in global donation activities. Requests for assistance from foreign states and international organizations were reviewed, analyzed, and coordinated with other state institutions of the Republic of Azerbaijan. The assistance provided by Azerbaijan was mainly humanitarian, financial, and technical, targeting various countries worldwide, particularly less developed states. This aid contributed to the implementation of the global development goals outlined in the 2030 Agenda through bilateral and multilateral cooperation, including South-South and triangular cooperation platforms. A significant portion of these assistance requests was related to Azerbaijan’s active role as chairman of the Non-Aligned Movement (NAM) and its standing within international organizations such as the UN and the Organization of Islamic Cooperation. Azerbaijan’s donor activities have expanded significantly over the last decade, reaching a peak during the pandemic and under its NAM chairmanship.

From 2020 to the present, Azerbaijan has provided approximately 300 million US dollars in international aid. Overall, the Republic of Azerbaijan has delivered humanitarian, finan-
cial, and technical assistance to more than 140 countries. Additionally, donations have been made to various international organizations to support activities in relevant fields such as human rights, environmental protection, and the fight against hunger. The international assistance provided by Azerbaijan has addressed SDG Goals 1-6, 8, 10-13, 16, and 17.

Until 2024, Azerbaijan has provided humanitarian, financial, and technical assistance to 43 of the 46 least developed countries, 53 of the 54 African countries, and 50 of the 56 other member states of the Organization of Islamic Cooperation. During the pandemic, Azerbaijan extended international aid to over 80 countries to combat COVID-19, allocating more than 25 million US dollars in total.

In addition, last years, particularly, in 2021, the donor activities of the Republic of Azerbaijan continued systematically and coordinated by AIDA, the national donor institute. Since 2012, through the “Combating Preventable Vision Loss” (AFAB) project of the Islamic Development Bank, which AIDA supports, about 350,000 people in African countries have been examined, and approximately 60,000 people have received free treatment and regained their health. In 2021, humanitarian actions under the AFAB project took place in Djibouti, Ivory Coast, Niger, and Somalia. During these actions, 88,167 people received free eye examinations, and 4,257 patients underwent restorative surgeries. Additionally, 64 medical personnel in Somalia were trained in professional development. These projects in 14 low-income countries have been recognized as best practices in several international reports, earning acclaim for Azerbaijan’s donor activities. The AFAB project supports Sustainable Development Goals (SDGs) 1, 3, 5, 8, 10, 11, and 17.

According to presidential decrees, 200 students from 90 countries received opportunities to pursue higher education at Azerbaijani universities through educational grant programs for UN and OIC member state citizens from 2018 to 2022. In 2021 alone, 40 students from 37 countries were admitted to this program. This initiative, funded by Azerbaijan, aims to develop human resources in the least developed and developing countries and strengthen international relations. The program’s budget in 2021 was 1,480,506 manats.

Another successful initiative is the “Diplomatic Service Improvement Program for Foreign Diplomats,” organized by AIDA and ADA University. This program provides middle and high-ranking diplomats with insights into the theoretical and practical aspects of foreign policy and Azerbaijan’s diplomatic efforts for international peace and security. In 2021, 15 diplomats participated in this training. These educational grant programs and the diplomatic training course align with SDGs 4, 5, 16, and 17, directly supporting SDG 16.

The final admission process for the educational grant programs established for the 2018-2022 academic years for OIC and UN member state citizens, as decreed by President, has concluded. In collaboration with the Ministry of Science and Education of the Republic of Azerbaijan, 40 students from 36 countries received full scholarships to study in Azerbaijan. Over five years, 200 students from 90 countries have benefited from these scholarships.

From June 4-18, 2022, 14 foreign diplomats from 11 countries and four continents participated in the “Diplomatic Service Improvement Program for Foreign Diplomats” training course, organized by AIDA and ADA University. In the realm of development aid, assistance was provided to schools and special educational centers in Iraq, Brazil, Ethiopia, and Uganda. These programs and projects align with SDGs 4, 5, 16, and 17, directly supporting SDG 16.
In 2022, under the AFAB project, 1,000 patients underwent eye surgeries, and more than 5,000 received medical examinations in four African countries with financial support from AIDA. Additionally, Azerbaijan offered 1 million doses of COVID-19 vaccines to 14 African countries. Support for the AFAB project and the fight against COVID-19 integrates SDGs 1, 3, 5, 8, 10, 11, 16, and 17.

Moreover, in response to various requests, Azerbaijan has provided humanitarian aid to South Sudan, Ethiopia, Afghanistan, Somalia, Yemen, and Suriname on both bilateral and multilateral bases. Financial support was also extended to several international organizations, including the UN High Commissioner for Refugees, the UN Population Fund, the UN Office for the Coordination of Humanitarian Affairs, the UN Emergency Response Fund, the World Health Organization, and the UN Relief and Works Agency for Palestine Refugees in the Middle East (UNRWA).

To address the aftermath of severe rains and floods in Pakistan, which resulted in numerous casualties and extensive destruction, Azerbaijan allocated and delivered $2 million in aid. This financial assistance supports the implementation of Sustainable Development Goals (SDGs) 2, 3, 4, 11, 16, and 17.

Regarding the crisis in Ukraine, Azerbaijan provided humanitarian aid worth nearly 30 million manats (approximately $17.5 million) in 2022, totaling about 1,000 tons. Additionally, approximately 90 Ukrainian children affected by the war and who lost family members were brought to Azerbaijan for medical and social-psychological rehabilitation. Aid to Ukraine aligns with SDGs 1, 3, 4, 5, 8, 11, and 17.

In the year of 2023, Azerbaijan’s international aid activities prominently featured support for Turkey following the devastating earthquake and ongoing assistance to Ukraine amid the crisis.

Earthquake Relief in Türkiye
From the initial days of the catastrophic earthquake in Türkiye, Azerbaijan demonstrated its solidarity by promptly dispatching search and rescue teams, medical personnel, volunteers, and various humanitarian aid. Azerbaijan sent 940 rescuers, medical personnel, and volunteer teams, along with more than 5,300 tons of humanitarian cargo to the affected region. Notably, Azerbaijan led globally in the number of rescuers sent to Türkiye. Additionally, over $45 million was transferred from Azerbaijan to the accounts of AFAD and other humanitarian organizations operating in the earthquake zone. Azerbaijan’s Foreign Minister attended the International Donors Conference “Together for the People of Türkiye and Syria” in Brussels on March 20, 2023. Under the directive of President of Azerbaijan, Azerbaijan pledged $100 million to support the reconstruction of residential buildings, social facilities, and educational institutions in Türkiye’s earthquake-affected areas. Of this amount, nearly $60 million (100 million manats) has already been allocated for reconstruction efforts in the current year.

Humanitarian Aid to Ukraine
Throughout the past year, Azerbaijan continued its humanitarian aid to Ukraine. In January, 45 generators worth 768,000 manats were delivered to Chernivtsi. In March, 13 tons of medicines worth 612,000 manats were sent to Ukrainian medical facilities, followed by supplies and equipment to combat floods in June.

Foreign Minister Bayramov participated in the Conference on the Restoration of Ukraine in London on June 21-22, affirming Azerbaijan’s ongoing support.

On July 17, 2023, President Aliyev decreed an allocation of 12.9 million manats for humanitarian aid consisting of electrical equipment to Ukraine. The first batch was delivered by 57
trucks, with subsequent shipments planned. Preliminary work for restoring four social facilities in Irpin, severely damaged by the conflict, is also underway. In November, Azerbaijan donated a demining machine to support humanitarian demining efforts. Additionally, around 70 Ukrainian children affected by the war received medical and social-psychological rehabilitation in Azerbaijan. Overall, the humanitarian and reconstruction aid provided to Ukraine by Azerbaijan amounts to more than 57 million manats (approximately $34 million), with half (16.5 million manats) allocated in 2023.

Aid to Türkiye and Ukraine aligns with Sustainable Development Goals (SDGs) 1, 3, 4, 5, 8, 11, and 17.

**Financial Support to International Organizations**

To bolster international cooperation, Azerbaijan allocated significant financial support to various organizations:

- $2 million to the Organization of Islamic Cooperation
- $2 million to ICESCO
- $2 million to the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
- $2 million to the UN Settlement Program (UN-Habitat)
- $1.5 million to the Asian Development Bank

Furthermore, Azerbaijan provided financial support to the UN Central Emergency Response Fund, the UN High Commissioner for Human Rights, the Chemical and Technology Centre under the Organization for the Prohibition of Chemical Weapons, the Development Foundation for Palestinian Refugees, the African Capacity Building Fund, the Perez-Guerrero Trust Fund for South-South Cooperation, the International Anti-Corruption Academy, the International Committee of the Red Cross, and the Fund for the Eradication of Doping in Sports.

The annual international assistance provided by Azerbaijan through the UN Central Emergency Response Fund reached its highest level this year. This financial assistance supported the implementation of SDGs 2, 3, 4, 11, 16, and 17.

At the Summit of the Contact Group of the National Assembly on the fight against COVID-19 held in Baku on March 2 of last year, President of Azerbaijan announced two Global Challenges aimed at the post-pandemic recovery of Africa and Small Island Developing States. Azerbaijan was the first to contribute, allocating $1 million to each challenge. This initiative supports the implementation of Sustainable Development Goals (SDGs) 1, 2, 3, 11, and 17.

**Heydar Aliyev International Education Grant Program**

On July 8, 2023, President Ilham Aliyev decreed the establishment of the “International Education Grant named after Heydar Aliyev.” This program is intended for citizens of countries in the Organization of Islamic Cooperation, the Non-Aligned Movement, and Small Island Developing States, as well as for peoples and minorities with ethnic, historical, and cultural ties to Azerbaijan. The program is scheduled to commence in 2024.

**Diplomatic Service Improvement Program**

From June 11-24, 2023, AIDA and ADA University jointly organized the “Diplomatic Service Improvement Program for Foreign Diplomats.” This professional development course trained diplomats from 22 countries, including Argentina, Ethiopia, Georgia, India, Italy, Cambodia, Kenya, Cuba, Ghana, Guyana, Kyrgyzstan, Malta, Montenegro, Niger, Poland, Russia, Serbia, Sierra Leone, Thailand, Timor-Leste, Turkmenistan, and Greece. These educational and professional development programs align with SDGs 4, 5, 16, and 17, directly supporting SDG 16.
AFAB Project Achievements

Under the “Combating Preventable Vision Loss” (AFAB) project, implemented by the Islamic Development Bank with AIDA’s financial support, significant medical assistance was provided in two African countries. In 2023, 3,000 patients underwent eye surgery, and 12,600 received medical examinations. Additionally, 68 medical personnel in Somalia received professional development training. The AFAB project supports SDGs 1, 3, 5, 8, 10, 11, and 17.

Azerbaijan’s contributions to these initiatives demonstrate a strong commitment to international development and humanitarian aid, significantly impacting global efforts to achieve the Sustainable Development Goals.
Azerbaijan selected as Host Country for COP29 in the plenary session of COP28 in Dubai, UAE on December 11, 2023

2024 UN CLIMATE CHANGE CONFERENCE (UNFCCC COP 29)
ROADS TO BAKU- COP29

Azerbaijan as the host country for the 29th Conference of the Parties to the UN Framework Convention on Climate Change (COP29), scheduled for 2024. The decision to select Azerbaijan was reached during the plenary session of COP28 held on December 11, underscoring the significance of this milestone in the global climate change discourse. COP28 convened representatives from nations worldwide to address critical issues pertaining to climate change mitigation and adaptation. Among the agenda items was the selection of a host country for COP29. After deliberation, Azerbaijan emerged as the chosen host, reflecting its growing prominence in the international efforts to combat climate change.

Azerbaijan's selection as the host country for COP29 holds profound implications for the conference and the broader climate action agenda. Situated at the crossroads of Europe and Asia, Azerbaijan offers a unique platform for fostering collaboration and dialogue among diverse stakeholders. The decision highlights Azerbaijan’s commitment to advancing global climate goals and its readiness to contribute meaningfully to the discourse.

Hosting COP29 in Azerbaijan presents an array of opportunities for collaboration and engagement. The conference will provide a forum for stakeholders to exchange insights, best practices, and innovative solutions to address climate challenges. It offers a platform for forging partnerships and mobilizing collective action towards a sustainable future. Azerbaijan looks forward to facilitating productive discussions and initiatives during COP29.

Azerbaijan is committed to undertaking comprehensive preparations to ensure the success of COP29. This includes logistical arrangements, infrastructure enhancements, and stakeholder engagement activities. The country aims to showcase its initiatives and contributions to climate action while learning from the experiences of other nations. With robust planning and collaboration, Azerbaijan anticipates a successful and impactful COP29.

In the year of 2024, all climate roads to Baku under the main slogan “In Solidarity for a Green World”.

COP29 journey, highlighting the pre-defined main theme of climate finance and the significant focus on mitigation and adaptation during the conference.

It is highly expected COP29 will mark a critical juncture in the global effort to combat climate change. With the primary objective of facilitating international cooperation and decision-making on climate-related issues, COP29 will bring together representatives from governments, international organizations, civil society, and the private sector. This year’s
The 4th Voluntary National Review

The conference will hold particular significance as stakeholders convene to address pressing challenges related to climate finance, mitigation, and adaptation.

The pre-defined main theme of COP29 is climate finance, reflecting the imperative need to mobilize resources for climate action. Climate finance encompasses funding mechanisms aimed at supporting mitigation and adaptation efforts in developing countries, as well as facilitating the transition to low-carbon, resilient economies worldwide. COP29 will provide a platform for discussions on enhancing financial flows, improving access to funding, and ensuring the effective utilization of resources to address climate change.

While climate finance is the designated main theme of COP29, mitigation and adaptation remain central pillars of the conference agenda. Mitigation efforts focus on reducing greenhouse gas emissions and limiting the extent of climate change through measures such as transitioning to renewable energy, improving energy efficiency, and implementing sustainable land use practices. Adaptation involves building resilience to climate impacts, including strategies to protect communities, ecosystems, and infrastructure from the adverse effects of climate change. COP29 will be a place a significant emphasis on advancing both mitigation and adaptation initiatives to address the multi-faceted challenges posed by climate change.

As COP29 will convene in Baku, several key objectives guide the deliberations and outcomes of the conference:

**Enhancing Climate Finance:** Facilitating discussions and agreements to mobilize financial resources for climate action, particularly in support of developing countries’ efforts to mitigate and adapt to climate change.

**Strengthening Mitigation Efforts:** Promoting ambitious mitigation targets and initiatives to reduce greenhouse gas emissions, transition to sustainable energy sources, and promote sustainable land use practices.

**Advancing Adaptation Strategies:** Identifying and implementing effective adaptation measures to build resilience to climate impacts, protect vulnerable communities, and safeguard ecosystems and infrastructure.

**Promoting International Cooperation:** Fostering collaboration among nations, international organizations, civil society, and the private sector to address climate change collectively and achieve the objectives outlined in the Paris Agreement.

The upcoming COP29 conference in Baku will represent a crucial opportunity for the global community to accelerate climate action and address the urgent challenges posed by climate change. As stakeholders gather in Baku, the outcomes of COP29 have the potential to shape the trajectory of global climate efforts and pave the way for transformative action in the years to come.

Azerbaijan, having ratified the UN Framework Convention on Climate Change in 1995 and the Kyoto Protocol in 2000, has been actively engaged in global efforts to combat climate change. This commitment was further solidified with the ratification of the Paris Agreement in October 2016, aligning the nation’s objectives with internationally determined contributions. Azerbaijan is dedicated to advancing projects aimed at transitioning to a circular economy, adopting clean technologies, promoting clean
The 4th Voluntary National Review

energy sources, and addressing environmental challenges. Strategic initiatives outlined in the “Azerbaijan-2030” document focus on achieving high-quality ecological environments and establishing green energy spaces. In its Nationally Determined Contributions (NDC), Azerbaijan pledged a significant reduction of 35% in greenhouse gas emissions by 2030 compared to the base year of 1990. It’s important to note that these commitments are voluntary, reflecting Azerbaijan’s proactive approach towards environmental stewardship. Additionally, during the 26th Conference of the Parties to the UN Framework Convention on Climate Change (COP26), Azerbaijan announced even more ambitious goals, including a 40% reduction in greenhouse gas emissions by 2050 and the establishment of a zero-emission zone in liberated areas. President of Azerbaijan designated the year 2024 as the “Green World Solidarity Year,” highlighting the nation’s dedication to combatting climate change and fostering environmental sustainability. Aligned with Azerbaijan’s national priorities for socio-economic development until 2030, this initiative underscores a comprehensive strategy focusing on environmental improvement, expansion of green spaces, and sustainable energy utilization. To ensure a transparent, impartial, and inclusive process, the COP29 Presidency has developed a comprehensive plan built on two interlinked pillars aimed at enhancing ambition and facilitating action. Azerbaijan, under the leadership of President Ilham Aliyev, has established an organizing committee for the 29th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29). Key appointments include the COP29 President, Lead Negotiator, Chief Executive Officer, Climate Change High-Level Champion, Chair of COP29 Azerbaijan Operating Company, and Youth Climate Champion. COP29 will prioritize discussions on climate finance, mitigation, adaptation, transparency, and global climate action. Various activities, including setting global adaptation targets, launching a fair transition job program, and strengthening technology exchange programs, will be undertaken during the conference. Azerbaijan is committed to ambitious environmental targets, including reducing greenhouse gas emissions and increasing the share of renewable energy sources. Specific regions, such as Liberated Karabakh and Nakhchivan Autonomous Republic, are designated as green energy zones. Interlinking COP29 (Conference of the Parties) and SDG 13 (Sustainable Development Goal 13) on Climate Action involves recognizing their interconnectedness and aligning efforts to address climate change. COP conferences, organized under the United Nations Framework Convention on Climate Change (UNFCCC), bring together nations to discuss and negotiate actions to combat climate change. SDG 13, on the other hand, focuses specifically on taking urgent action to combat climate change and its impacts. Policy Alignment: COP29 conferences set the stage for international climate policy discussions and agreements. By aligning COP outcomes with the targets outlined in SDG 13, nations can ensure that their climate actions contribute to broader sustainable development objectives. Nationally Determined Contributions (NDCs): NDCs are central to the Paris Agreement, which is negotiated at COP conferences. These are pledges made by each country to reduce their greenhouse gas emissions and adapt to the impacts of climate change. By integrating NDCs with SDG 13 targets, countries can ensure that their climate actions contribute to broader sustainable development goals, such as poverty eradication and economic growth. Resource Mobilization: Achieving the targets of SDG 13 requires significant financial resources. COP conferences often discuss mechanisms for climate finance, including support for adaptation and mitigation efforts in developing countries. By linking COP outcomes with SDG 13, countries can mobilize resources more effectively to address climate change in a manner that promotes sustainable development. Cross-Sectoral Collaboration: SDG 13 calls for
action across various sectors, including energy, transportation, agriculture, and industry. COP conferences provide a platform for stakeholders from different sectors to come together and exchange knowledge and best practices. By fostering cross-sectoral collaboration, COP29 can help accelerate progress towards achieving the targets of SDG 13.

Monitoring and Reporting: Both COP processes and the SDG framework emphasize the importance of monitoring, reporting, and reviewing progress towards their respective goals. By harmonizing monitoring and reporting mechanisms, countries can track their efforts to address climate change while also measuring their contributions to achieving SDG 13 targets. Overall, interlinking COP29 and SDG 13 is crucial for ensuring that global efforts to address climate change are aligned with broader sustainable development objectives, ultimately leading to a more resilient and sustainable future for all.

The United Nations Special Programme for the Economies of Central Asia (SPECA) week in Baku

In the journey towards bolstering international cooperation on the 2030 Agenda for Sustainable Development Goals (SDGs), the SPECA forum emerges as a notable cornerstone. Through its annual gatherings, SPECA serves as a catalyst for fostering collaboration and action among its member states towards achieving the SDGs by 2030.

The SPECA forum, with its diverse range of activities including working group meetings, economic forums, governing council sessions, and summits, provides a crucial platform for dialogue, knowledge exchange, and collective decision-making. By addressing pertinent issues such as trade, gender equality, digital transformation, transport connectivity, and green energy integration, SPECA facilitates the alignment of regional efforts with the global SDGs framework.

Moreover, the forum’s emphasis on transforming the SPECA region into a connectivity hub with global outreach underscores its commitment to leveraging regional strengths and resources towards advancing sustainable development goals on a broader scale. Through initiatives like the “SPECA Countries Exhibition: Regional Cooperation for Sustainable Development,” the forum not only showcases regional achievements but also encourages cross-border partnerships and best practices sharing. Thus, within the broader context of strengthening international cooperation on the 2030 Agenda for SDGs, the SPECA forum stands out as a significant platform driving collaborative action and progress towards a more sustainable future.

SPECA Week, hosted in Baku from November 20-24, 2023, encompassed a series of pivotal events. Beginning with the meetings of the Working Groups on Trade, Gender, and SDGs on November 20, the week progressed to the Economic Forum on November 21-22, followed by the 18th session of the SPECA Governing Council on November 23, culminating in the SPECA Summit on November 24.

The central theme of the SPECA 2023 Economic Forum, titled “Transforming the SPECA Region into a Connectivity Hub with Global Outreach,” aimed to reposition the program as a dynamic, service-oriented platform. Deliberations during the forum encompassed crucial topics such as the digital transformation of data and document exchange in supply chains, transport connectivity, green energy integration within the SPECA region, and the emerging significance of the Middle Corridor amidst evolving challenges.

The 18th session of the SPECA Governing Council provided an opportunity for stakeholders to reflect on the outcomes of the Economic Forum. Discussions revolved around the refinement of regulatory frameworks governing the program’s operations and other pertinent documents.

Complementing these discussions, the “SPECA Countries Exhibition: Regional Cooperation for Sustainable Development” showcased collaborative efforts towards sustainable development within the SPECA region, adding a tangible dimension to the week’s endeavors.
6. SUSTAINABLE DEVELOPMENT GOALS FINANCING MECHANISM
6.1. FUNDING STRATEGIES AND MECHANISMS

The 2030 Agenda on Sustainable Development Goals embodies a collective vision to address global challenges and establish an inclusive world. While these goals articulate our aspirations, their successful achievement relies on the availability of financial resources. The distinctive aspect of the Sustainable Development Goals (SDGs) resides in their overarching aim to instigate a fundamental change in perspective. Ensuring a sustainable future demands more than just dedication from governments or policymakers, it necessitates a collaborative, multi-stakeholder approach that encompasses businesses and individuals. The effective realization of the SDGs hinges on the active involvement of diverse stakeholders alongside government entities.

Also, the 2030 Agenda for Sustainable Development (2030 Agenda) outlines an ambitious, intricate, and interconnected vision that nations worldwide have committed to pursuing. Developing an integrated approach to financing the SDGs poses several challenges for countries. The mobilization of the necessary scale of public and private resources, coupled with maximizing their impact on the social, environmental, and economic dimensions of the 2030 Agenda, introduces a spectrum of difficulties. These challenges encompass managing complex financing instruments, formulating and implementing effective policies, and fostering collaboration with a diverse array of stakeholders. Frequently, these challenges are rooted in or exacerbated by a lack of alignment between the planning and finance policy functions of government, along with the limited participation of a narrow group of stakeholders in dialogues and decisions concerning financing.

The Azerbaijani government emphasizes the pivotal role of businesses, operating across both public and private sectors, as catalysts for driving a transition toward sustainable economic growth. This transformation supports income generation, technology transfer, and job creation. The array of products and services provided by businesses across different sectors yields a multiplier effect, significantly influencing the overall economy. To illustrate, a strategic focus on technology transfer enhances the quality and productivity of goods and services, thereby attracting a broader customer base, generating new employment opportunities, and fostering the expansion of the business environment.

The Government of Azerbaijan commits to investments directed towards local community development, encompassing infrastructural and urbanization initiatives not only contribute to enhancing the overall living conditions but also create a conducive environment for attracting highly skilled individuals. This, in turn, results in a more dynamic economy, offering a spectrum of financial and social advantages. The distinctive advantage that businesses possess in the realm of Sustainable Development Goal (SDG) advancement lies in their capacity to make profitable and purposeful decisions regarding core business investments, operations, and value chains. Such decisions have the potential to establish a financially sustainable and potentially scalable multiplier effect over the long term.

A review of Azerbaijan’s approach emphasizes that the financing strategy delineates how the government leverages its policies and instruments to elicit, invest, and influence both domestic and international funding. It is firmly anchored in the sustainable development priorities outlined in the development plan. Consequently, the financing strategy commences with the investments required to realize the priorities specified in that plan, encompassing both public and private resources. This involves a comprehensive consideration of both the quantitative scale of investments necessary to attain national development objectives and the qualitative contributions these investments will make to sustainable development outcomes. In this case of cir-
cumstance, building upon this foundation, the financing strategy endeavors to enhance the vertical and horizontal integration of financing policies with the development plan, ensuring alignment. Vertically, it outlines measures to deepen integration between the sustainable development goals of the national plan and the distinct policies governing various forms of public and private finance. This may involve refining existing policies and introducing new policies and instruments to strengthen the connections between financing and developmental outcomes. Horizontally, the financing strategy delineates steps to foster greater alignment and coherence across financing policies, addressing synergies and trade-offs between policies governing different types of finance. Additionally, it emphasizes enhanced collaboration among stakeholders within each facet of financing.

A financing strategy consolidates public and private financing policies within a unified, coherent framework, providing a detailed, prioritized sequence of actions. These actions are designed to fortify these policies and intensify integration across three axes, facilitating the mobilization of investments essential for achieving the objectives of the development plan. In this manner, the financing strategy constitutes a robust approach for mobilizing the requisite scale of public and private financing and ensuring its impactful contribution to the realization of the development plan.

During the 2010-2020 decade, the primary source of domestic public resources in Azerbaijan was public revenues, constituting majority of the total volume during this period. In instances where there were declines in public revenues due to the drop in international oil prices and public oil revenues, the government utilized public debt to secure the necessary resources for financing public expenditure. Conversely, during periods characterized by an upswing in public oil revenue resulting from increased oil prices, the government undertook the amortization of public debt.

Between 2010 and 2020, the primary source of public revenue in Azerbaijan was non-tax revenues, constituting an average of 58.9% of total public revenues. This category encompasses primarily transfers from State Oil Fund to the
state budget. Tax revenues, which include oil taxes, demonstrated a comparatively more stable trend over the same period, accounting for only 40.2% of total public revenues.

In Azerbaijan, oil-related public revenues (comprising both tax and non-tax revenues) exerted a significant influence on total public revenues from 2010 to 2020.

Non-oil tax revenues in Azerbaijan emerged as the primary source of tax revenue during the period from 2010 to 2020. These revenues constituted an average of 65.9% of total tax revenues. In contrast, oil tax revenues averaged only 33.1% of tax revenues over the same period. Notably, since 2014, there has been a consistent decline in the relative weight of oil tax revenues within the overall composition of tax revenues.

The trajectory of total public expenditure in Azerbaijan from 2010 to 2020 mirrors the trends observed in public revenues during the same period, inherently tied to the volatility of international oil prices. Notably, current expenditure holds significant prominence in public spending, constituting an average of 55.3% of total public expenditures over the decade. Although recent years have witnessed a deceleration in its relative weight within total public expenditure, efforts to address the impact of the COVID-19 crisis led to a reversal in this trend, with current expenditure accounting for 63.1% in 2020.

Contrastingly, public capital expenditure in Azerbaijan demonstrated an increasing trend from 2010 to 2020, averaging 39.7% of total public expenditure. However, in response to the reorientation of public resources to mitigate the impacts of the COVID-19 crisis, this trend experienced a reversal, with capital expenditure comprising only 30.4% of total public expenditure in 2020.

Furthermore, public expenditure related to public debt service exhibited an increasing trend over the same period, constituting an average of approximately 5% of total public expenditure. Since 2018, concerted efforts have been undertaken by the government to diminish these expenditures within the broader context of total public spending.

Figure 9. Azerbaijan’s structure of public revenues (million manats)
To align with SDG targets, meticulous budget cost calculations have been conducted with detailed (3-4-digit numbering) for expenditure categories. In instances where specific expenditure directions were not specified, the budget sector was utilized at the two-digit numbering level. Consequently, in addressing SDG goals related to combating violence, sexual exploitation, human trafficking, and other relevant law violations, which are integral to SDGs, the involvement of the judiciary, law enforcement, prosecutor’s offices, as well as the implementation of court decisions and legal assistance, remains pertinent. The allocation of funds spent on SDG targets in 2022 across sectors of the state budget is determined as follows.

Expenditures from the State Budget of the Republic of Azerbaijan, the State Oil Fund, the State Social Protection Fund, and the Unemployment Insurance Fund are meticulously tracked through the coordination data on SDG targets by utilizing the available filtering options. The allocation of budget expenditures across all SDGs is delineated as follows.

During the preliminary alignment of budget expenditure items with SDG targets, it was identified that in 2022, a significant portion of the budgets is associated with SDG goals. Specifically, 82.3% of the State Budget of the Republic of Azerbaijan (excluding transfers to the State Social Protection Fund), the budget of the State Oil Fund (excluding transfers to the State Social Protection Fund), the budget of the State Oil Fund (excluding transfers to the State Bud-
get), the budget of the State Social Protection Fund, and the unemployment insurance fund’s budget are linked to the SDGs. This amounts to approximately 30.4 billion manats in absolute terms, equivalent to 22.7% of the 2022 gross domestic product.

Table 1. Alignment of Expenditure on SDGs

<table>
<thead>
<tr>
<th>Number</th>
<th>Budget sector</th>
<th>Expenditure on SDG targets (billions of manats)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General public services</td>
<td>4,553</td>
</tr>
<tr>
<td>2</td>
<td>Judiciary, law enforcement and prosecutor’s office</td>
<td>2,482</td>
</tr>
<tr>
<td>3</td>
<td>Education</td>
<td>3,943</td>
</tr>
<tr>
<td>4</td>
<td>Healthcare</td>
<td>1,709</td>
</tr>
<tr>
<td>5</td>
<td>Social protection and social security</td>
<td>8,046</td>
</tr>
<tr>
<td>6</td>
<td>Culture, art, information, physical education, youth policy and other such activities</td>
<td>0,418</td>
</tr>
<tr>
<td>7</td>
<td>Housing and communal economy</td>
<td>0,273</td>
</tr>
<tr>
<td>8</td>
<td>Agriculture</td>
<td>0,997</td>
</tr>
<tr>
<td>9</td>
<td>Environmental Protection</td>
<td>0,292</td>
</tr>
<tr>
<td>10</td>
<td>Economic activity</td>
<td>7,068</td>
</tr>
<tr>
<td>11</td>
<td>Expenditures that do not belong to the main departments</td>
<td>0,628</td>
</tr>
</tbody>
</table>

Table 2. Overview of the SDG-related expenditures of the budget, 2022

<table>
<thead>
<tr>
<th>Budget</th>
<th>Expenditure on SDGs (billions of manats)</th>
<th>Relative to the total costs of the corresponding budget, in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Budget</td>
<td>24,605</td>
<td>76.2%</td>
</tr>
<tr>
<td>Stata Social Protection Fund</td>
<td>5,606</td>
<td>100%</td>
</tr>
<tr>
<td>Unemployment Insurance Fund</td>
<td>0,151</td>
<td>83.5%</td>
</tr>
<tr>
<td>State Oil Fund</td>
<td>0,046</td>
<td>57.3%</td>
</tr>
</tbody>
</table>

Related budget to 2030 Agenda on SDGs

82.3% of the overall budget in 2022, in other words 22.7% of GDP in 2022.
6.2. FINANCIAL INNOVATION FOR SDGS

In the contemporary landscape, entire nations grapple with the challenges posed by SDG Financing. Gratitude is extended to our government for acknowledging that achieving a sustainable development future demands strategic investments in the present. In this context, every government entity is dedicated to minimizing the SDG financing gap through the mobilization of domestic resources.

At the forefront of the international initiative to institute the SDGs Financing mechanism, we are actively spearheading two significant projects and roadmaps: the Integrated National Financing Framework (INFF) and SDGs Investment Mapping. Presently, we are in the concluding stages of successfully executing and finalizing these impactful initiatives.

We hold a firm conviction that these roadmaps will afford us significant opportunities to discern and execute policies and reforms aimed at augmenting and aligning financing with the attainment of our national sustainable development priorities. Additionally, this roadmap establishes a framework for augmenting the coherence of public, private, domestic, and international funds dedicated to sustainable development, respectively.

Integrated National Financing Framework (INFF) in Azerbaijan

The 2030 Agenda for Sustainable Development (2030 Agenda) articulates an ambitious, intricate, and interconnected vision that nations worldwide have pledged to pursue. Developing an integrated approach to financing the Sustainable Development Goals (SDGs) poses numerous challenges for countries. The task involves mobilizing the substantial public and private resources necessary while maximizing their impact across the social, environmental, and economic dimensions outlined in the 2030 Agenda. These challenges range from navigating complex financing instruments to crafting and implementing effective policies, all while fostering collaboration with a diverse array of stakeholders. Often, these difficulties stem from, or are exacerbated by, a lack of alignment between the planning and finance policy functions of government, coupled with the limited involvement of a narrow group of stakeholders in discussions and decisions regarding financing.

The challenges of SDG financing, as acknowledged in the Addis Ababa Action Agenda by United Nations Member States, prompted a recommendation in the 2019 Financing for Sustainable Development Report. Countries are advised to explore the development of Integrated National Financing Frameworks (INFFs) to bolster their national development strategies. INFFs facilitate a shift in the financing perspective towards long-term investment horizons and the integration of sustainability as a central consideration in investment decisions. They enable the alignment of private and public incentives with sustainable development goals and provide a means to better measure
In response to these recommendations, the United Nations Development Programme (UNDP) has developed various tools, including the Development Finance Assessments (DFAs), designed to analyze existing financial resources and pinpoint opportunities for mobilizing additional sources of finance more efficiently to achieve the SDGs. The scope of DFAs has evolved in the wake of the COVID-19 crisis, increasingly focusing on supporting the operationalization of INFFs to facilitate the rebuilding process. This strategic shift aims to foster stronger, more resilient, and inclusive sustainable development paths.

The Integrated National Financing Framework (INFF) in Azerbaijan aligns with the Government of Azerbaijan’s commitment to spearhead progress in the country within the framework of the United Nations Agenda 2030. The primary goal of the INFF in Azerbaijan is to establish a comprehensive framework for financing national sustainable development priorities and achieving the Sustainable Development Goals (SDGs).

As a component of the global UN SDG Joint Fund, the UNDP Country Office in Azerbaijan, in collaboration with the Azerbaijan Ministry of Economy and in consultation with the National Coordination Council for Sustainable Development (NCCSD), has developed the project titled “Sustainable, Integrated, and Gender-Inclusive Finance Framework for Azerbaijan, Beyond Oil.” The project’s main objective is to assist the Government of Azerbaijan in optimizing resource allocation toward national development ambitions aligned with the 2030 Agenda. It seeks to ensure an INFF that effectively manages and mobilizes private, public, domestic, and international financing for sustainable development results, ultimately catalyzing and scaling up sustainable investments in Azerbaijan. To achieve this, the UNDP in Azerbaijan is orchestrating a series of activities, including the Development Finance Assessment (DFA), aimed at fostering SDG-investing knowledge and supporting the necessary frameworks, tools, and policies to attract green and digital investments to the Azerbaijani economy, in harmony with other technical supports provided to the country.

In February 2021, the President approved “Azerbaijan 2030: National Priorities for Socio-economic Development,” outlining five key national priorities. These priorities include establishing a steadily growing competitive economy, fostering a society based on dynamism, inclusivity, and social justice, cultivating competitive human capital and space for modern innovations, ensuring a great return to the liberated territories, and promoting a clean environment and green growth. The DFA/INFF for Azerbaijan is intended to complement the ongoing government efforts to implement the Azerbaijan 2030 agenda. A recent presidential order was issued to approve the adoption of the action plan to achieve the goals of the national priorities in the “Socio-Economic Development Strategy for 2022-2026 in the Republic of Azerbaijan.”

The DFA serves as a tool to assist countries in shaping the inception phase of the process of operationalizing an INFF, supporting financing for building back better. It conducts a comprehensive analysis of the public and private financing landscape, financing policies, institutional structures, and opportunities to develop a more integrated approach to financing. The DFA acts as a tool to consolidate analysis and foster collaboration among various stakeholders, drawing information from diverse sources and assessments focused on finance flows or specific policy areas.

Integral to the DFA process are a series of financing dialogues, guided by a government-led national oversight team. These dialogues bring together government officials, the private sector, and other stakeholders to discuss how to operationalize a more integrated approach to financing through an INFF. The DFA facilitates conversations on challenges and opportunities across public and private financing, aiming to build consensus on the way forward.
The ultimate output of the DFA is an INFF Roadmap, outlining the subsequent steps to operationalize an INFF. Developed under the leadership of the oversight team, the roadmap captures the agreed-upon steps through the DFA process, detailing how each of the INFF building blocks will be brought together and operationalized within the Azerbaijani context. This approach ensures that the DFA shapes the inception phase of the process of operationalizing an INFF in Azerbaijan, supporting socio-economic recovery that builds back better, with a specific focus on green growth, digital transformation, and the integration of the liberated territories into national development priorities. The DFA provides a structured process for the government to secure buy-in, complete analysis, and build consensus necessary for decisions on how an INFF will support financing for building back better and the subsequent operationalization steps.

**SDG Investment Map**

In collaboration with the United Nations Development Programme (UNDP), the Government of Azerbaijan has spearheaded the creation of the Azerbaijan SDG Investor Map platform. This initiative operates under the auspices of the National Coordination Council for Sustainable Development within the Ministry of Economy, signifying a concerted effort to strategically guide and coordinate sustainable development endeavors.

Adhering to the global methodology established by the United Nations Development Programme (UNDP), the Azerbaijan SDG Investor Map serves as a sophisticated market intelligence tool, strategically aligning development needs with investment opportunities tailored for the private sector. Through a comprehensive integration of development impact assessment, business case analysis, and meticulous sectoral and sub-regional research, the Azerbaijan SDG Investor Map discerns both Investment Opportunity Areas (IOAs) and Emerging Investment Opportunity Areas (EIOAs). These areas are strategically pinpointed at the confluence of national development needs and policy priorities within sectors critically relevant to Azerbaijan's sustainable development progress.

The prioritized sectors and Investment Opportunity Areas (IOAs) outlined in the Azerbaijan SDG Investor Map are susceptible to modification in response to the evolving market dynamics, changing environmental conditions, and shifting national development priorities. Consequently, a systematic and comprehensive review, with an overall update at least every two years, is mandated to ensure the continued relevance and accuracy of the information presented. This adaptability allows emerging opportunities highlighted in the platform to swiftly transition into substantive IOAs, contingent upon shifts in the overarching enabling ecosystem.

The Azerbaijan SDG Investor Map serves as a dynamic platform fostering regular and sustained engagement among the Government, local and international private sectors, and private sector stakeholders. This facilitates convergence on essential partnerships and necessitates legal, policy, and institutional investments. The overarching objective is to propel economic and development transformation, underlining the map's pivotal role in driving collaborative efforts toward sustainable progress.

The SDG Investor Map meticulously pinpoints priority sectors characterized by robust SDG outcomes and policy alignment. This prioritization is informed by comprehensive data on national development needs, economic diversification, green growth, and considerations of equality and inclusion. Additionally, the map proposes crucial policy priorities, emphasizing human capital development and the establishment of non-oil sectors as pivotal pillars of the economy, achieved through heightened engagement of the private sector. The sectoral analysis is grounded in extensive desk research and a thorough literature review, further validated through consultations with
key stakeholders, including government representatives, development partners, and private sector entities.

The Investor Map specifically identifies Infrastructure, Renewable Resources & Alternative Energy, Food and Beverage, and Services (Tourism) as the four national priority sectors necessitating increased private sector investment to fulfill both national development objectives and the SDGs. This section elaborates on key development needs and policy priorities within each of these prioritized sectors:

Infrastructure

The infrastructure development needs in Azerbaijan align with various Sustainable Development Goals (SDGs). SDG 6 - Clean Water and Sanitation is particularly relevant, given challenges related to water pollution, inadequate wastewater treatment, and the discharge of untreated wastewater into the Caspian Sea. The importance of SDG 2 - Zero Hunger becomes evident as the country’s waste management practices, characterized by informal dumping and limited recycling, contribute to environmental pollution and pose risks to public health. Addressing SDG 3 - Good Health and Well-being is imperative to mitigate the risks posed by unsustainable waste management practices and pesticide waste, which can have adverse effects on human health.

The pertinence of SDG 9 - Industry, Innovation, and Infrastructure is underscored as Azerbaijan strives to enhance its infrastructure, encompassing road networks and logistics facilities, to support economic diversification and improve trade and transportation efficiency. SDG 11 - Sustainable Cities and Communities assumes significance in promoting sustainable urban development and addressing challenges related to waste management and pollution in urban areas. Finally, SDG 12 - Responsible Consumption and Production is relevant, aligning with Azerbaijan’s objective to improve waste management practices, promote recycling, and establish safe disposal facilities for hazardous waste. This effort contributes to fostering a more sustainable and responsible pattern of consumption and production.

Azerbaijan faces some challenges in maintaining and modernizing water management, waste disposal, and trade logistics. Issues such as water pollution, challenging waste management practices, and connectivity in cold storage facilities hinder progress towards the SDGs. Despite performing favourably in comparison to neighbouring countries, it is crucial to expand and enhance the existing infrastructure assets, including road, water, waste, and sanitation services, to support economic diversification. Sustained efforts are required to maintain and modernize the current road and rail network, while addressing the challenges posed by the heavy oil industry and the presence of untreated sewage and industrial waste, which threaten water resources. Due to the activities of the oil industry, water resources in Azerbaijan are subjected to severe pollution, posing challenges to public health and biodiversity.

Moreover, national water resources have witnessed a decline of 15% over the past decade, with projections indicating a further depletion of 5-10% by 2024 due to increasing temperatures. Azerbaijan’s strategic geographic location places it at the crossroads of multiple trade routes, including the vital east-west corridor connecting Europe to the Caucasus and Asia, as well as the significant north-south corridor between the Russian Federation and Iran.

The main policy priority on the infrastructure is the Strategic Roadmap for National Economy Perspective 2016 emphasizes the importance of investing in high-quality infrastructure to establish Azerbaijan as a regional hub by 2025. Similarly, Azerbaijan 2030: National Priorities for Socio-Economic Development sets forth key goals that include the development of international and regional transport corridors and the construction of modern infrastructure to unlock the full economic potential of the country.
The 4th Voluntary National Review

The Strategy of Socio-Economic Development of the Republic of Azerbaijan 2022 - 2026 outlines the commitment to establishing effective waste management systems to support environment-friendly industrialization. In line with this strategy, the government of Azerbaijan has set ambitious targets to increase the coverage of waste recycling to 20% countrywide and 10% in rural areas by 2026.

Renewable Resources and Alternative Energy

The development needs in renewable resources and alternative energy in Azerbaijan align with several Sustainable Development Goals. SDG 7 - Affordable and Clean Energy is relevant as Azerbaijan seeks to diversify its energy sector and reduce its dependence on fossil fuels, aiming to tap into its significant potential for renewable energy. SDG 12 - Responsible Consumption and Production is important to address the environmental risks associated with the country’s energy mix and waste management, promoting sustainable practices. Lastly, SDG 13 - Climate Action is significant as Azerbaijan aims to mitigate its contribution to global greenhouse gas emissions and reduce environmental impacts through transitioning to cleaner and more sustainable energy sources.

The country is a net energy exporter, with the oil and gas sector contributing 50% to the GDP. To mitigate this risk, it is necessary to diversify energy exports by tapping into the country’s significant potential for renewable energy. The reliance on oil and gas for energy generation poses environmental challenges, including contamination of key air, soil, and water resources. Azerbaijan’s energy sector is responsible for 75% of the country’s total emissions, despite the country contributing only 0.15% of the world’s total global greenhouse gas emissions.

The Policy Priority for the Renewable Resources and Alternative Energy is the Strategic Roadmap for the Development of Utility Services, released in 2016, aims to expand renewable energy generation in Azerbaijan by investing in wind, solar, and hydro power stations through public-private partnerships by 2025. The government has set a target to increase the share of renewable energy in the nation’s overall energy mix to 30% and reduce greenhouse gas emissions by 35% by 2030.

The Azerbaijan 2030: National Priorities for Socio-Economic Development plan emphasizes the importance of clean and sustainable energy sources across all sectors to reduce the country’s impact on climate change. With the decline in global oil prices and national oil revenues, Azerbaijan is promoting non-oil sector diversification and the transition to green energy sources.

Food and Beverage

The development needs in food and beverage sector in Azerbaijan present an opportunity to align with multiple SDGs. Firstly SDG 6 - Clean Water and Sanitation is relevant as the country faces water shortages and agricultural land degradation, hindering food production and contributing to water obstacles for farmers. SDG 2 - Zero Hunger is significant as the agricultural sector underperforms and farmers suffer from water shortages, impacting food security and the country’s vulnerability to food price fluctuations. SDG 15 - Life on Land is important in addressing land degradation and salinization, promoting sustainable land use practices, and protecting agricultural land for future generations. SDG 9 - Industry, Innovation, and Infrastructure is relevant as Azerbaijan aims to enhance irrigation systems and improve agricultural infrastructure to support economic diversification and agricultural development. SDG 12 - Responsible Consumption and Production is significant in promoting sustainable agricultural practices, efficient water use, and responsible land management to ensure long-term sustainability. Intensive farming practices have led to over 20% of agricultural lands being affected by varying degrees of salinity and degradation, while more than half
of farmers suffer from water shortages due to the country’s arid climate.

The Strategy of Socioeconomic Development of the Republic of Azerbaijan aims to increase agriculture-generated value added by 4% per year during the 2022-2026 period. The State Programme on the Socioeconomic Development of the Regions for 2019-2023 prioritizes increasing food security, developing traditional agricultural fields, and enhancing the production and processing of agricultural products. The Strategy also states that the government of Azerbaijan targets to increase the supply of irrigation water from 80% to 90% by 2026. National Pathways to Sustainable Food Systems by 2030 prioritizes fostering food processing and promoting sustainable use of water resources for national food systems.

Services

The development needs in the services sector in Azerbaijan align with SDG 8 - Decent Work and Economic Growth and SDG 12 - Responsible Consumption and Production. SDG 8 is relevant as the country aims to enhance the services sector, including logistics, tourism, and ICT services, to promote balanced economic growth and create more employment opportunities. This aligns with the goal of achieving sustainable economic growth and decent work for all. SDG 12 is significant in promoting responsible consumption and production practices within the tourism industry. Azerbaijan’s focus on diversifying and greening tourism products while recovering from the impacts of COVID-19 reflects a commitment to sustainable and inclusive development.

The share of the services sector in Azerbaijan’s non-oil economy is significant, having contributed to 42.1% of total GDP in 2016. As the country promotes diversification away from hydrocarbons, the government is actively taking steps to enhance logistics, tourism, and ICT services within the tertiary economy. It is worth noting that tourism and transportation were the primary components of Azerbaijan’s service exports in 2019;

Azerbaijan boasts rich natural and cultural tourism offerings, encompassing stunning forests, rivers, waterfalls, national parks, mud volcanoes, and unique traditional and culinary practices. The national development agenda, Azerbaijan 2030: National Priorities for Socio-Economic Development prioritizes economic diversification, aiming to unlock the country’s export potential in goods and services beyond the oil sector. Additionally, the 2022-2026 Social and Economic Development Strategy places a strong emphasis on providing high-quality and competitive trade and logistics services, as well as fostering the growth of the tourism industry with a target to increase tourism revenues by 20%. The Strategic Roadmap for the Development of Specialized Tourism Industry in Azerbaijan, 2016, places a strategic priority on enhancing the sustainable tourism potential, particularly in the area of eco-tourism, with the aim of establishing Azerbaijan as a renowned ecotourism destination by 2025. Furthermore, the State Program of Socio-Economic Development of Regions of the Republic of Azerbaijan, 2019-2023, is dedicated to the development of various types of tourism, including rural green tourism, ethno tourism, and eco-tourism, fostering the growth of these sectors across the country.

Environmental, Social and Governance (ESG) Framework

Mainstreaming Environmental, Social, and Governance (ESG) frameworks in Azerbaijan involves integrating sustainable and responsible business practices into the country’s corporate and financial systems. Government of Azerbaijan admits that ESG factors are crucial for businesses, investors, and policymakers to consider, as they assess the long-term viability and impact of economic activities. In this case, in the year of 2023, Ministry of the Economy of the Republic of Azerbaijan (Secretary of the National Coordination Council on Sustainable Development) started the project with UNDP in
order to formalize the following crucial steps to promote the mainstreaming of ESG frameworks in Azerbaijan:

1. Regulatory Framework;
2. Capacity Building;
3. Public Awareness;
4. Collaboration with International Organizations;
5. ESG Reporting Guidelines;
6. Green Finance Initiatives;
7. Stakeholder Engagement;

By implementing these measures, Azerbaijan can create a conducive environment for the mainstreaming of ESG frameworks, fostering sustainable economic development and attracting responsible investment. Focusing on Environmental, Social, and Governance (ESG) criteria for screening investments aligned with corporate policies. The objective is to promote responsible corporate behavior, ultimately supporting the Government of Azerbaijan in optimizing resource allocation for national development ambitions in alignment with the 2030 Agenda. The project aims to establish an Integrated National Financing Framework (INFF) to assist the Government of Azerbaijan in effectively managing and mobilizing private, public, and international financing for sustainable development outcomes. The overarching goal is to catalyze and scale-up sustainable investments in Azerbaijan.
7. ADVANCEMENTS AND MILESTONES IN THEMATIC GOALS PROGRESS
SDG 1 aims to eradicate extreme poverty for all people everywhere, reduce by at least half the proportion of the population living in poverty in all its dimensions according to national definitions, implement nationally appropriate social protection measures for all, and achieve substantial coverage of the poor and vulnerable population by 2030.

1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to regional definitions.

1.2.1. Proportion of population living below the national poverty line, by sex

In 2022, the proportion of population living below the national poverty line stood at 2.9 percent in urban areas and 8.6 percent in rural areas.
1.a. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.

1.a.2. Proportion of total government spending on essential services (education, health and social protection)

After the COVID-19 pandemic, the proportion of population living below the national poverty line decreased for both man and women. The proportion of man living in poverty decreased from 6.1% in 2020 to 5.6% in 2022. The improvement was even more significant for women, as the indicator dropped from 6.6% to 5.1% in the same period.

Compared to 2010, the proportion of total government spending on essential services in 2022 increased by 3.3 percentage points, and amounted to 38.4%.
During the reviewed period, government expenditures on education saw a significant increase, rising from 1242.6 million manats to 4081.9 million manats. Similarly, spending on health grew from 439.9 million manats to 1494.8 million manats, whereas expenditures on social protection and social security increased from 3053.8 million manats to 7887.8 million manats.

In 2022, government spending was as allocated as follows: 22.5% to social protection, 11.6% to education, and 4.3% to healthcare services.
The activities taken under SDG 2 aim to end hunger, ensure that everyone has access to safe and adequate food, and address important issues related to stunting in children under five years of age. To respond to this challenge the target is to double the incomes of small food producers, especially women, family farms and farmers, by providing equal access to land, other productive resources, relevant knowledge, and financial services, thereby increasing agricultural productivity and food prices in food markets. This can be achieved by providing timely access to information on food stocks in order to limit sharp fluctuations.

2.1. By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

2.1.1. Prevalence of undernutrition, in percentage

2.5. By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed

2.5.1. Number of plant genetic resources for food and agriculture secured in either medium-or long-term conservation facilities

The conservation of plant and animal genetic resources for food and agriculture (GRFA) in medium or long-term conservation facilities (ex situ, in genebanks) represents the most trusted means of conserving genetic resources worldwide.

From 2020 to 2022, the prevalence of undernourishment has remained constant at 2.5 percent.
The plant genetic resources component is calculated as the number of accessions of plant genetic resources secured in conservation facilities under medium- or long-term conditions. An ‘accession’ is defined as a distinct sample of seeds, planting materials, or plants that are maintained in a genebank. The animal genetic resources component is calculated as the number of local breeds stored within a genebank collection with a sufficient amount of genetic material stored to reconstitute the breed in case of extinction.

2.5.2 Proportion of local sheep breeds classified as being at risk of extinction*

This indicator reflects the specific proportion of sheep breeds classified as being at risk of extinction. It measures the percentage of sheep within general breeds that are currently threatened with extinction. A breed is considered at risk if it falls into categories such as “critically important”, “critically protected”, “located under the threat of extinction”, or “emergent”.

According to the information provided by the Ministry of Agriculture of the Republic of Azerbaijan, based on the results of the 2015 agricultural census, there are 14 local sheep breeds in the country (Balbas, Karabakh, Garadolag, Pirasora, Gala, Absheron, Azerbaijan Mountain Merino, Bozakh, Herik, Godek, Karo, Shirvan, Lezgi, Mazeks). Of these, 2 are classified as “vulnerable”, 1 is in the category of “endangered”, and 3 breeds are endangered. Thus, 21.4 percent of the local sheep breeds in the country are endangered.

<table>
<thead>
<tr>
<th>№</th>
<th>Name of sheep breed</th>
<th>Head count</th>
<th>The category to which it belongs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Caro</td>
<td>3,800</td>
<td>Being in a sensitive situation</td>
</tr>
<tr>
<td>2</td>
<td>Godek</td>
<td>1,511</td>
<td>Endangered</td>
</tr>
<tr>
<td>3</td>
<td>Herik</td>
<td>2,482</td>
<td>Being in a sensitive situation</td>
</tr>
</tbody>
</table>

* This indicator defined as in the UN Global indicator framework 2.5.2 proportion of local breeds classified as being at risk of extinction. This indicator presented in the national context.
2.a. Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries

2.a.1 The agriculture orientation index for government expenditures

In 2022, the agriculture orientation index for government expenditures peaked at 0.63. Accounting for fluctuations, the index exhibited an upward trend, and in 2022 it reached the highest value since 2010. However, the index remains below 1, which indicates that the proportion of government spending allocated to agriculture, relative to the sector’s contribution to the economy, is relatively low.

The value-added created in agriculture, forestry, fishing, and hunting increased by 2.7 times (60.4 percent in real terms), rising from 2,344.6 million manats in 2010 to 6,376.3 million manats in 2022. Notably, it increased by 3.4 percent compared to the previous year.

2.c. Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility

2.c.1 Indicator of food price anomalies

The Indicator of Food Price Anomalies (IFPA) identifies market prices that are abnormally high. The calculation of IFPA is characterized by a weighted compound growth rate that accounts price growth over both the last year and previous years. The indicator directly evaluates price growth for a particular month over many years, considering seasonality in agricultural markets and inflation. This approach allows for determining whether a change in price is abnormal for any specific period.

In 2022, the indicator of food price anomalies amounted to 1.6.

Three ranges are established for the IFPA price:
* -0.5 ≤ IFPAy < 0.5 = normal
* 0.5 ≤ IFPAy < 1 = moderately high;
* IFPAy ≥ 1 = abnormally high;
SDG13 aims to strengthen resilience to climate-related hazards and natural disasters in all countries, eliminate the consequences of climate changes, and mitigate its impacts. Achieving this goal requires strengthening early warning systems, promoting enhanced education, and improving effectiveness of planning and management capacity.

13. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

13.1.1 Number of deaths, injuries, rescued and evacuated persons attributed to disasters per 100,000 population *

Between 2010 and 2022, there was a notable decrease in the incidence of deaths, injuries, rescued, and evacuated persons per 100,000 population ascribed to disasters. The number of persons falling in these categories declined from 280.6 per 100,000 in 2010 to 18.5 in 2022.

In 2022, disasters resulted in 67 fatalities, 296 injuries, 1,399 evacuations, and the rescue of 104 individuals.


* This indicator defined as in the UN Global Indicator Framework 13.1.1. Number of death missing persons and directly affected persons attributed to disasters per 100000 population. The indicator presented in the national context.
SDG 16 aims to significantly reduce all forms of violence and related death rates everywhere, end abuse, exploitation, trafficking and torture of children, provide legal identity for all, including birth registration, substantially reduce corruption and bribery in all their forms, significantly reduce illicit financial and arms flows, and promote non-discriminatory laws and policies.

16. **Significantly reduce all forms of violence and related death rates everywhere**

16.1.1 **Number of victims of intentional homicide per 100,000 population, by sex and age.**

The number of victims of intentional homicide dropped from 206 persons in 2010 to 184 persons in 2022. Between 2010-2022, the share of homicide crimes within the structure of registered criminal cases for major crime types decreased from 0.8% to 0.5%.

16.2. **End abuse, exploitation, trafficking and all forms of violence against and torture of children**

16.2.2 **Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation**

In 2022, the number of victims of intentional homicide per 100,000 population was 1.8. The rate significantly decreased from 2.3 in 2010.

Broken down by gender, the rate was higher for males, with 2.0 victims per 100,000 population, compared to 1.6 female victims.
16.3. Promote the rule of law at the national and international levels and ensure equal access to justice for all

16.3.2 Unsentenced detainees as a proportion of overall prison population

In 2022 the proportion of unsentenced detainees within the total prison population decreased by 0.6 percentage points from 2021, and amounted to 18.7 percent.

In 2022, there were 94 victims of human trafficking, of which 1 men and 93 women.

Compared to 2010, the number of victims of human trafficking per 100,000 population halved, dropping from 1.8 to 0.9 in 2022.

The number of male victims of trafficking decreased from 0.2 in 2010 to 0 in 2022, while the number of women from 3.4 to 1.8.

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The number of male victims of trafficking decreased from 0.2 in 2010 to 0 in 2022, while the number of women from 3.4 to 1.8.

Source: Ministry of Justice of the Republic of Azerbaijan

16.5. Substantially reduce corruption and bribery in all their forms

16.5.1 Specific gravity of persons who have given or insisted on bribery

The proportion of individuals who give or solicited bribes in 2022 increased by 1.42 percentage points compared to 2015, and reached 1.80%.*

* This indicator defined as in the UN Global Indicator Framework. Propotion of persons who had at least one contact with a public official and who paid a bribe to a public official or were asked for a bribe by whose public officials during the previous 12 months. The indicator presented in the national context.

Source: Ministry of Justice of the Republic of Azerbaijan

* This indicator defined as in the UN Global Indicator Framework. Propotion of persons who had at least one contact with a public official and who paid a bribe to a public official or were asked for a bribe by whose public officials during the previous 12 months. The indicator presented in the national context.
16.6. Develop effective, accountable and transparent institutions at all levels

16.6.1 Primary government expenditures as a proportion of original approved budget

Primary government expenditures as a proportion of the original approved budget increased by 3.4 percentage points, rising from 95.9 percent in 2010 to 99.3 percent in 2022. In 2022, the amount of executed state budget expenditures totaled 32,064.6 million manats, which is 2.7 times more than the 11,765.9 million manats in 2010. The amount of approved state budget expenditures in 2022 (32,303.8 million manats) was more than 2.6 times the amount in 2010 (12,275.0 million manats).

16.8. Broaden and strengthen the participation of developing countries in the institutions of global governance

16.8.1 Proportion of membership and voting right of the Republic of Azerbaijan in international organizations

In 2022, proportion of membership of the Republic of Azerbaijan in the International Monetary Fund is 0.53, in International Finance Corporation is 0.54, in the International Bank for Reconstruction and Development is 0.53, and in UN General Assembly is 0.52 percent. These proportions of membership of the Republic of Azerbaijan in international organizations have remained unchanged in the period 2015-2022.

In 2022, 5,525 applications related to bribery or bribery-related incitement were received. Out of 100 accused persons, 82 were men and 18 were women.

Source: Anti-Corruption General Directorate with the Prosecutor General of the Republic of Azerbaijan
In 2022, the special weight of the votes of the Republic of Azerbaijan for both the International Finance Corporation and the International Monetary Fund is 0.11, while in the International Bank for Reconstruction and Development the weight is 0.13 percent.
SDG 17 aims at enhancing macroeconomic stability, assisting developing countries in attaining long-term debt sustainability, addressing the external debt of highly indebted poor countries, doubling share of global exports of least developed countries, facilitating market access, developing the capacity for science, technology and innovation, and significantly increasing the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location, and other characteristics relevant in national contexts.

17.8. Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

17.8.1 Proportion of individuals using the Internet

Between 2010-2022, the proportion of individuals using the Internet increased by 42.1%.
In 2022, the economic region with the highest internet access was Nakhchivan Autonomous Republic at 96.6%, while Karabakh was the lowest at 82.5%.

The total number of individuals using the internet were 8,607.4 thousand, of which 51.7 percent were men and 48.3 percent were women. In urban areas the indicator reached 91.8%, while in rural areas it stood at 83.5%.

In 2022, 78.6 percent of young people under 24 years of age, 96.1 percent of those in the 25-35 age group, 95.7 percent of those in the 36-64 age group, and 66.8 percent of those over 64 years old were internet users.

17.9. Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation

17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries

According to the International Development Assistance Agency of the Republic of Azerbaijan, the total volume of aid provided by the Republic of Azerbaijan within the framework of North-South (including Western countries),
South-South and tripartite cooperation in 2022 was 8.3 times larger than in 2015 and 4.8 times larger than in 2021, amounting to 28,330,823 US dollars.

17.18. By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts

17.18.2. Existence of the national statistical legislation that complies with the Fundamental Principles of Official Statistics

This indicator determines the compliance of national legislation in the field of statistics with the 10 fundamental principles of Official Statistics, adopted by the UN Statistical Commission in 1994, and re-approved in 2013.


17.18.3. Existence of the national statistical plan that is fully funded and under implementation

The State Statistical Committee of the Republic of Azerbaijan, which implements the state policy and regulation in the field of statistics and forms official statistical data on social, economic, demographic, and environmental situation in the country based on a unified methodology, approves its activity annually. It also engages with information users, prepares quarterly business plans for economic analysis, and implements the tasks set forth in the “State Program for the Development of Official Statistics in the Republic of Azerbaijan for 2018-2025”.

Thus, by the Decree of the President of the Republic of Azerbaijan dated February 14, 2018, number 3672, the sixth “State Program for the Development of Official Statistics in the Republic of Azerbaijan for 2018-2025” was established. The main objective of the State Program is to develop official statistics by implementing
a set of measures to improve statistical work in accordance with the current socio-economic processes and the modern challenges faced in the country and internationally. These activities include the organization of statistical observations and methodologies in social, economic and other fields, including metrics and classifications, legal, administrative and information support for the production of official statistical materials, user satisfaction, international cooperation, strengthening the logistics and human resources.

17.19. By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries;

17.19.2. a) Conduction of at least one population and housing census in the last 10 years

According to the Decree of the President of the Republic of Azerbaijan No. 1040 dated September 7, 2016 “On conducting the population census in the Republic of Azerbaijan in 2019”, the next population census in Azerbaijan was held on October 1-10, 2019.

On October 1-10, 2018, a pilot population census was conducted in Gabala region, to assess the readiness for the main census.

To effectively and timely carry out this significant state event (held for the third time since gaining independence), and to ensure flexible decisions against the backdrop of global political, social and economic processes, several measures were taken. These measures aimed at determining the priorities of socio-economic development, developing various strategies and state programs, and assessing their implementation status. All intended actions were successfully implemented. Necessary measures were taken related to the organizational work on the population census, preparation and publication of census materials, staffing, organization of public outreach, technical support issues, conducting the census and processing documents by the State Statistical Committee and other relevant government agencies. These actions were based on the Resolution of the Cabinet of Ministers of the Republic of Azerbaijan, “An action plan on preparation and conduction of the population census to be held in 2019 in the Republic of Azerbaijan” dated 16 December 2016, No.517 and the “Calendar Plan for the preparation and conduction of population census in the Republic of Azerbaijan in 2019”, approved by the Decree of the State Statistical Committee dated 17 January 2017, No 01/ 05s.

Close cooperation was established with international organizations accredited in our country, including the UN Population Fund, the Children’s Fund, the Development Program, the High Commissioner for Refugees, the International Labour Organization, and the International Organization for Migration. This cooperation facilitated the preparation of methodological materials of the population census and the organization of explanatory work related to the census.

Census and questionnaires were prepared in accordance with the United Nations “Conference of European Statisticians Recommendations for the 2020 Censuses of Population and Housing”, and took into account the responsibilities arising from “Transforming our world: The 2030 Agenda for Sustainable Development” and the relevant decision of the 57th meeting of the Council of the Heads of Statistical Services of CIS member states held under chairmanship of Azerbaijan on 31 May, 2017.

The results of the census were compiled into the 30-volume booklet “Census of the Population in the Republic of Azerbaijan-2019”, which was published and presented to users.
8. PERSPECTIVES AND THE CHALLENGES ON FURTHER TRAJECTORIES FOR THE PROGRESS

Dear Shusha, You are Free!
In Liberated Shusha, Azerbaijan
The Fourth Voluntary National Review of Azerbaijan underscores the country’s commitment to the 2030 Agenda for Sustainable Development and accelerating progress towards achievement of the Sustainable Development Goals (SDGs), in line with the principle of “leaving no one behind.”

The review highlights Azerbaijan’s SDG progress over the past couple of years since the last review, which would be further accelerated going forward:

**National ownership and strong political commitment**

Both the Socio-Economic Development Strategy of the Republic of Azerbaijan (2022-2026) and the State Programme for the Great Return to the Liberated Territories of the Republic of Azerbaijan (2022-2026) guide the implementation of the vision set forth in the Azerbaijan 2030: National Priorities for Socio-Economic Development and the strong commitment from the Government leadership towards the SDGs. Azerbaijan was also one of the xx countries to submit its national commitments ahead of the global SDG Summit in September 2023.

- Investment in inclusive, sustainable and green economic growth: Azerbaijan has made efforts to accelerate the development and diversification of the non-oil sector, boost innovation activity and export capacity, and enhance the effectiveness of social services and the green economy. These include investments in human capital through skills development.

- Climate action: Azerbaijan has been promoting the use of alternative energy sources and protecting biodiversity to address impacts of climate change and fulfill its obligations under the Paris Agreement. As the host of the 2024 UN Climate Change Conference (COP29), Azerbaijan is raising its ambitions to reach net zero, increasing renewables and energy efficiency.

- Whole-of-Society Approach: Azerbaijan has focused on SDG awareness-raising and dialogues at all levels of society at national and local levels to promote inclusive approach and enable SDG actions by all. The private sector has been actively involved in efforts to investing with Environmental, Societal and Governance (ESG) considerations, as well as discussions around SDG financing.

**Post-Conflict Recovery, Mine Action and Sustainable Development**

Azerbaijan has made the remarkable progress in post-conflict recovery and reconstruction over the past years, including through focusing on green recovery and innovation. The Government’s priorities for post-conflict recovery and reconstruction in the conflict-affected districts include demining, infrastructure, economic and social development, environmental sustainability. In recognition of the urgency of mine action (demining, explosive ordnance risk education, victim support) as a prerequisite for sustainable development and peace, Azerbaijan has adopted a national SDG 18 on mine action, which is an example to other mine-affected countries on implementation of humanitarian-development-peace (HDP) nexus.

Looking ahead, to further accelerated Azerbaijan’s progress towards SDGs, the country prioritizes a series of activities, such as strengthening the healthcare system, expanding vaccination coverage, accelerating economic diversification, developing competitive human capital, and utilizing alternative energy sources. Additionally, measures to protect biodiversity, meet Paris Agreement obligations on climate change, and ensure sustainable development through the rehabilitation of liberated territories are emphasized. Improved data collection and analysis, especially on gender, ethnicity, age groups, habitats, and regions/administrative districts, are identified as a crucial enabler. Achieving peace in the region is expected to positively contribute to SDG implementation particularly SDG 16.