



FINAL REPORT

on

SECTOR POLICY CONVERGENCES

IN PRIORITY AREAS IN AZERBAIJAN

TO SUPPORT

EU EASTERN PARTNERSHIP INITIATIVE

Prepared by Center for Economic and Social Development (CESD)

Submitted to PASOS

CESD

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Final Report

According to the agreement between PASOS and Center for Economic and Social Development (CESD, or the Center), Azerbaijan, the latter commenced the implementation of research project on “Sector Policy Convergences in Priority Areas in Azerbaijan to support EU Eastern Partnership Initiative” on February, 08, 2010. All stages of the project have been successfully completed and different parties involved have been mapped to ensure the greater consistency and effectiveness of future activities on this direction. Below is the outline of activities conducted within the project, in accordance with the action plan.

1. Focus group discussions have been held with representatives from Ministry of Economic Development, Confederation of Entrepreneurship, State Agency of Standardization, EU Office in Baku, National Budget Group and relevant NGOs and international organizations in Baku, Azerbaijan to gather analysis materials, empiric evidences and information on different concepts and conceptions within the framework of the project, their scope, interdependence, stakeholders their roles, stakes and influences, existing structures and policy options, all necessary for the qualitative analysis.
2. Based on discussions with representatives of selected leading institutes, overall framework and content of the research was prepared and research is conducted by the project team to develop the policy paper.
3. Different opinions and options for the EU convergences have been identified and explored during the discussions with various stakeholders, including the policy decision-makers and experts, and through the analysis of relevant literature. The findings were included in the paper with all the options listed and some insights provided. The analyses of the options along with recommendations were fully compiled and structured to be fully included in the paper.
4. Individual interviews were held among the representatives from Ministry of Economic Development, State Committee of Customs, National Budget Group, and relevant NGOs, using the semi-structured questionnaires to deeper and more detailed analysis of the issue, to explore the alternative opinions on the cause and effect and stakeholder

relationships, and to further gather, compile and classify the information. The guiding principles while preparing and conducting the interviews were the deeper exploration of individual views and identification of institutional positions for diagnosing the situation and providing possible remedies. Therefore, the questions on alternate opinions and remedies were deliberately isolated from questions on diagnostics—given in the beginning of interviews and discussions—to separate problem structuring from policy options, thus to minimize the factors that would interfere with, damage comprehensiveness or distort the reflections of views and positions. Questions grouped help the aggregation and comparison and also to track the change in opinions and paradigms since the time of previously held FGD.

5. The project team continued with the collection of the following data to further develop the report; Azerbaijani and EU legislation and standards; Costs and benefits of investments; country balance; trade between Azerbaijan and EU; tendencies Azerbaijan's Accession to the WTO; exports and imports; indicators of import dependence; production costs,; macro-economic indicators.
6. The materials and statistic reports have been collected from local and international sources, including the EU Statistics bulletins; State Statistical Committees (SSC), International Agencies, IMF (International Financial Statistics, Directions of Trade Statistics, etc.), UNCTAD (Commodity Price Statistics, Handbook of Statistics, World Investment Report, etc.), World Bank (Doing Business, World Development Indicators, etc.), United Nations Economic Commission for Europe, UNECE Countries in Figures (comparative figures of CIS countries) and official data from the countries of case study.
7. Within the research project, the following outputs have been completed; legislative review; analysis of dates; studying of foreign experience; developed the overall research framework; existing structure mapped and institutional and policy alternatives identified; all policy alternatives along with their advantages, disadvantages, feasibilities and possible stakeholders involved were discussed with policymakers, experts and other groups as part of the survey, interview and focus group discussions; some policy alternatives are further explored through the desktop research and reflected on the paper; policy recommendations analyzed and developed; and the report prepared.

8. Three media-campaigns were conducted within the project. 12 national newspapers, 5 leading news agencies and 3 national TV channels have been involved in the media campaign. Copy of materials are enclosed, CDs of TV reportages will be posted with final report, soon.
9. Project reports, including progress reports, laws and regulations institutional reforms and capacity building have been disseminated among stakeholders. CESD used its domestic and international contacts to disseminate information.
10. Baku Training on EU Convergence was taken place in Baku on June 06-07, 2010 with participation of senior trainers. Representatives of relevant ministries, NGO, universities, think tanks attended the training. Training was organized on necessary sector policy convergence (approximation/harmonization with EU regulations and practices), for civil servants capacity building with emphasis on methodology, formulation, decision making process, implementation, control and evaluation of public policies (<http://www.cesd.az/conv.htm>) .
11. Full report prepared and submitted to Government of Azerbaijan. Research findings submitted to the Government of Azerbaijan specifically to Cabinet of Ministries, Ministry of Economic Development, Ministry of Foreign Affairs, State Standardization Committee, State Estate Committee and etc. Government official announced that recommendations are under review process and some recommendations will be considered to be applied.
12. Baku Conference was held in Baku on October, 24, 2010 with participation of government institutes, think-tanks, international organizations and mass-media. Dr. Vugar Bayramov presented the report and spoke about activities done within the project.

13. Research findings presented at PASOS Assembly. Tim MacNaught, Project Manager at the CESD, presented research findings the PASOS Annual Assembly in Berlin on November, 05, 2010.

14. Research findings presented at International Conference in Baku in cooperation with Ministry of Foreign Affairs of Azerbaijan and European Union Delegation in Baku. Dr. Vugar Bayramov, Chairman of Board at the CESD, presented research findings at the international conference where representatives of all relevant government bodies, think-tanks, international organizations and mass-media attended.

All activities done by the CESD based on the action plan and some difficulties have been encountered when the survey was conducted. There was no any delay in the project implementation.

November 01, 2010.

Full Report is attached.