



COUNTRY PROGRAMMING FRAMEWORK FOR AZERBAIJAN

2016-2020

January 2016

Acronyms

ACIP	Agricultural Competitiveness Improvement Project of the World Bank
ADB	Asian Development Bank
AWFJSC	Amelioration and Water Farm Joint Stock Company
CA	Conservation agriculture
CPF	Country Programming Framework
CSA	Climate-smart agriculture
EaP	Eastern Partnership
EC	European Commission
ERBD	European Bank for Reconstruction and Development
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FAPP	FAO–Azerbaijan Partnership Programme
FMD	Foot-and-Mouth Disease
FTPP	FAO-Turkey Partnership Programme
FRA	FAO-Global Forest Resources Assessments
GAP	Good agricultural practices
GHP	Good hygiene practices
GDP	Gross domestic product
GEF	Global Environment Facility
GIZ	German Society for International Cooperation
GoA	Government of Azerbaijan
HACCP	Hazard analysis, critical control points
IDB	Islamic Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFIs	International finance institutions
IPM	Integrated pest management
ISPMs	International standards for phytosanitary measures
IUU	Illegal, unreported and unregulated fishing
MDT	Multidisciplinary team
MoA	Ministry of Agriculture
MoENR	Ministry of Ecology and Natural Resources
MoEI	Ministry of Economy and Industry
MoH	Ministry of Health
NFP	National Forestry Program
NGO	Non-governmental organization
OXFAM	Oxford Committee for Famine Relief
PGR	Plant genetic resources
PPR	Peste des petits ruminants
REU	FAO Regional Office for Europe and Central Asia

RP	Regional priority
SDC	Swiss Agency for Development and Cooperation
SEC	FAO Subregional Office for Central Asia
SECO	Switzerland's State Secretariat for Economic Affairs
SLM	Sustainable land management
SO	Strategic Objective
SPPRSD	State Program on Poverty Reduction and Sustainable Development in the Republic of Azerbaijan for 2008-2015
SRRD	Support to regional and rural development
STDF	Standards and Trade Development Facility
ТСР	Technical Cooperation Programme
TIKA	Turkish Cooperation and Coordination Agency
UN	United Nations
UNAPF	United Nations–Azerbaijan Partnership Framework
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNRC	United Nations Resident Coordinator
USAID	United States Agency for International Development
WB	World Bank
WTO	World Trade Organization
WUAs	Water users' associations

I. Introduction

This Country Programming Framework (CPF) spells out the six government priority areas which will guide FAO's partnership with and support to the Government of the Republic of Azerbaijan, bringing together innovative international best practices and global standards and national and regional expertise during the five years from 2016 to 2020.

Jointly developed with the government, the CPF addresses relevant national development plans and strategies at the same time as supporting FAO's Strategic Objectives and regional priorities. It is also fully aligned with the FAO-Azerbaijan Partnership Programme (FAPP) and UN-Azerbaijan Partnership Framework (UNAPF) 2016-2020.

Cooperation between Azerbaijan and FAO has grown over the past 20 years. FAO assistance has been delivered through a range of interventions focused on increasing agricultural productivity and contributing to the successful implementation of Azerbaijan's agrarian reforms. Recent interventions have included technical and policy support across the food and agricultural sector as well as emergency assistance for transboundary animal diseases and pest control.

An agreement launching the FAO-Azerbaijan Partnership Programme was recently signed and an FAO Partnership and Liaison Office opened in Baku. In the light of Azerbaijan's significant economic growth, the new partnership programme marks a move away from predominantly development-based cooperation towards a knowledge-intensive partnership, based on the country's increased capacities and synergies with the national planning process. The Government of the Republic of Azerbaijan and FAO will collaborate with national stakeholders committed to promoting sustainable agriculture and rural development, building on key national plans and strategies such as "Azerbaijan Vision 2020: outlook for the future".

The formulation of the CPF will be undertaken through a participatory and iterative process in close and direct cooperation with the Government of the Republic of Azerbaijan, represented principally by the Ministry of Agriculture (MoA), collaborating with the Ministry of Ecology and Natural Resources (MoENR), Amelioration and Water Farm Joint Stock Company (AWFJSC), Ministry of Economy and Industry (MoEI) and in consultation with numerous stakeholders in the agricultural, food processing and trade sectors, national institutions as well as the UN Country Team (UNCT) and donor community.

II. Country context and priorities

One of the main goals for Azerbaijan today is to reduce dependence of its economy on oil and ensure the expansion of economic development to rural areas. The government has identified the agricultural sector as one of the priority areas to develop in order to diversify the economy. Being the third largest sector in Azerbaijani economy, after oil and construction, agriculture possesses the highest share in employment. This sector also has a huge influence on poverty reduction in rural areas.

Policy-makers in Azerbaijan have made a strong commitment **to diversify away from oil and promote the non-oil sectors.** The government has launched a number of state programmes to address some of the sector's challenges. For the agricultural and rural sector the current overarching strategic documents are: 1. "State Program on the socio-economic development of the regions of the Republic of Azerbaijan for 2014-2018"; 2. "State Program on Poverty Reduction and Sustainable Development of the Republic of Azerbaijan for 2008-2015 (SPPRSD)"; 3. "State Program on Reliable Food Provision of the Republic of Azerbaijan for 2008-2015"; and 4. "Azerbaijan Vision 2020: outlook for the future" development concept.

One of the main targets of "Azerbaijan: Vision 2020" is to increase – more than double – the volume of per capita GDP in the country, with growth derived from non-oil industries, with agriculture being a major contributor to this growth. Priorities identified in "Azerbaijan: Vision 2020" for the agricultural and rural development sector comprise:

- Development of agro-industries based on local raw materials
- Continued support to agricultural production

- Simplified credit mechanism for the agricultural sector
- Improved insurance system in the agricultural sector
- Promotion of institutional activities
- Increased soil fertility
- Promotion of ecologically uncontaminated agricultural production
- Support to research activities and agricultural education
- Security for the internal market and promotion of export of agricultural products

Three Presidential Decrees were signed in 2014 to further improve the agricultural sector, mainly through: (i) accelerating institutional reforms to increase export potential and gain access to regional and global markets; and (ii) introducing reforms in the land cadastre and introducing a new agricultural electronic monitoring system to enhance food-market transparency and encourage coordination of policy action. Moreover, the government declared **2015** as the **Year of Agriculture** for the sector to become one of the main pillars in the rising non-oil sector growth. **A new agricultural strategy** (**2015-2020**), focusing on restructuring and improvement of the agricultural sector in the country, with special emphasis on production, processing, marketing and the environment, has been drafted by MoA and submitted for endorsement. The following priority issues have been identified in the strategy:

- Innovative agricultural policy management and administration
- A reformed and comprehensive system of decoupled income, area-based subsidy support
- Good agricultural and environmental resource management
- Private sector development through farm networking, integration and market orientation
- Safety, quality and supply-side security of agricultural products, assets and resources
- Advisory services and transfer of knowledge and technology

The government is currently providing support to agricultural and rural areas through the development of socio-economic infrastructure in the regions, reforms in the agricultural sector and implementation of different programmes and projects to support improvement of the business environment.

MoENR, with the support of FAO technical assistance, has developed and endorsed the "**National Forestry Program (NFP)**" of Azerbaijan for a 15-year period, 2015-2030. The basic aims of the NFP are to promote sustainable enhancement of the country's forests to meet public expectations over the long term, provide the means to harmonize forest management policies with government policy instruments and rapid structural changes and to identify the challenges and means for development of institutional and legal frameworks for national forest management.

FAO's support will be broadly governed by its five global strategic objectives, which have been translated into the following five regional strategic priority areas:

- a. Strengthening food security and nutrition;
- b. Policy advice to governments in support of sustainable intensification of small farms;
- c. Natural resources management, including climate-change mitigation and adaptation;
- d. Control of animal, plant and foodborne pests and diseases; and
- e. Policy and institutional support for entry of Member States into regional and global trade and standard-setting bodies and organizations of regional economic cooperation.

Alongside the regional priorities, two regional initiatives have been identified for Europe and the Central Asia Region, which are as follows:

- 1. Empowering smallholders and family farms
- 2. Agrifood trade and regional integration

Government priority areas and outcomes reflect those areas where FAO - in line with its overall mandate, its current and future presence and its delivery capacity – can add the most value in support of government objectives, in close collaboration and synergy with other development actors.

The CPF results and resource requirements matrix (Annex 1) shows the coherence among CPF priorities, relevant strategic objectives, regional priorities, regional initiatives and UNAPF priority areas.

III. FAO's contribution and expected results

The CPF also takes into account the relevant strategies and priorities identified by UNAPF for 2016-2020 in order to maximize FAO's comparative advantage, leverage synergies and increase effectiveness. For the 2016-2020 period three UNAPF priority areas were formulated: (i) promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; (ii) strengthening institutional capacities and effective public and social services; AND (iii) improving environmental management and resilience to hazards and disasters.

The following six thematic priority areas are identified for FAO support in Azerbaijan:

PRIORITY 1: Animal health and plant protection, including transboundary animal and plant diseases and pest control

Technical assistance provided in animal health: Azerbaijan is faced with a number of animal and zoonotic diseases, which affect people's health and livelihoods as well as the economic potential of the livestock sector. In this respect, FAO will work with relevant institutions to: i) strengthen capacities, coordination, planning and policy support for effective management, prevention, surveillance and control of animal and zoonotic diseases (rabies, brucellosis, foot-and-mouth disease (FMD) and *peste des petits ruminants* (PPR), among others); ii) improve traceability along the value chain (quality control of animal products and veterinary drugs, biosecurity in livestock markets, etc.); and iii) provide capacity development and continued education of professionals working in the area of animal health.

Assistance in the introduction of an integrated pest management (IPM) system, strengthened plant quarantine services and promotion of conservation agriculture: Taking into account the increase of risks related to climate change as well as the occurrence of new pests and diseases of crops, it was proposed to strengthen cooperation in mitigating adverse effects of climate change to agriculture and introducing efficient plant protection measures. Focus will be placed on: i) strengthening capacities of plant quarantine and phytosanitary control services through improvement of pest diagnostic systems; ii) implementation of international standards for phytosanitary measures (ISPMs) related to the import regulatory system; iii) building staff capacity at border and preborder levels; iv) addressing shortfalls in the export certification system; and v) implementation of a standardized approach to pest surveillance in a commodity of export value.

The interventions mentioned above will contribute not only to income generation with increased quality of crop and livestock products but also to socio–economic development in rural areas, especially for women. Compared to men, women face more constraints in accessing markets, veterinary services, information, technologies and credit. They are also more responsible for family health which, in turn, makes them more responsive to information on animal diseases, pesticides, IPM techniques as well as livestock production.

Synergies will be identified with other development partners working in these areas (the International Fund for Agricultural Development (IFAD), World Trade Organization (WTO), World Bank (WB) and European Union (EU) among them) in terms of resource allocation and coordination to enhance effectiveness. Particularly at this stage, linkage and synergy will be established with WB's "Agricultural Competitiveness Improvement Project (ACIP) (2014-2018)" with a budget of USD 53.25 million, within its component of upgrading and modernization of plant protection and veterinary services.

PRIORITY 2: Supporting investments in agriculture, food security and rural development

A sound investment climate is central to growth and poverty reduction by providing opportunities and incentives for farmers, both smallholders and large-scale producers. Agriculture has been recognized by the government primarily as a private-sector activity that is subject to external influences. It is recommended that practical and replicable ways are identified: i) to connect poor people and women farmers with market opportunities that agriculture offers; ii) to tackle their vulnerability to risks; and iii) to enable their voices to be heard in policies and institutions. Key issues in this context are: a) the role of markets and increasing agricultural trade and investment; b) agriculture, food security and rural development policies and institutions; c) poverty reduction; d) service markets for agriculture; e) gender

equality in use of and access to natural resources, credit, technology, agricultural extension services and markets; f) capacity development and advocacy. There is need for a more interdisciplinary approach to promoting an enabling environment for investment.

Technical assistance provided in sustainable agriculture and food security: FAO will provide gender-responsive technical assistance to promote sustainable agriculture and food security through the introduction of good agricultural practices (GAP) to enable stable market growth of high-value agricultural products and services in Azerbaijan and abroad, including support for the formulation of national strategies and policies on adoption and promotion of GAP. FAO is providing support to the development of legal and institutional frameworks to promote organic agriculture in Azerbaijan; this is the first step towards establishing the basis for development of GAP in the country.

Technical assistance in the promotion of good governance in an enabling environment for investment: The government programme "Azerbaijan: Vision 2020" will support farmers by promoting enabling environments for successful investments in production and marketing of agricultural products. FAO will thus support this momentum of the government by providing technical assistance in developing equitable incentive mechanisms such as the establishment and promotion of inclusive crediting systems, thereby encouraging women's participation in the agrifood value chain, crop insurance, etc., based on local conditions. The reforms for enabling environments will contribute towards making markets work in the future. Institutional capacity will be enhanced to integrate resilience across natural resources management sectors and production systems

Synergies will be created with other development partners and financial institutions, such as WB, EU, the International Finance Corporation (IFC) and the Asian Development Bank (ADB) involved in the relevant activities to increase effectiveness, coordination and resource savings purposes; in particular, with IFAD's "Integrated Rural Development Project", EU "Agricultural and Rural Development Programme" and GIZ "Private Sector Development" project, aiming at improving skills for market research, new market access, international marketing, quality management etc.

PRIORITY 3: Capacity development, including agricultural education, research and extension

FAO will support government programmes to bridge the institutional gap and facilitate multidisciplinary cooperation which, in turn, will contribute to improved policies, mechanisms and legislative frameworks. Major areas for FAO assistance will be in improving linkage and synergy among education, research and extension and quality standards, support in rebuilding advisory and extension services with a gender-sensitive approach and support to organizations, including reviving the present eight regional agrarian science centres. Main focus areas will be on: i) capacity development for production and analysis of agricultural and natural resources data; ii) promotion and establishment of agricultural extension services and other mechanisms for developing capacities of smallholders and large-scale agrifood producers; iii) capacity development of rural farmers in crop production and marketing; and iv) strengthening capacity of relevant agricultural institutions and academia to promote food security and nutrition.

Technical assistance in improvement of agricultural education and extension services: Crosssectoral cooperation is the primary milestone for integrated policies and frameworks in food security. Capacity will be developed for production and analysis of current data and information in guiding policy reforms and investment decisions on agriculture and natural resources management. Trained extension services are considered a key tool for the implementation of agricultural policy. FAO will focus on gender-sensitive agricultural and irrigation extension services and other mechanisms for developing capacities of smallholders and large-scale agrifood producers. Capacity-building will incorporate alternative perspectives and approaches in extension and methodological practices.

Capacity development is a crucial aspect for achieving sustainable, gender-equitable agricultural productivity and food security in the country. While gender parity has almost been achieved in Azerbaijan in formal education, there are still distinctive inequalities in terms of overall women's empowerment. Rural women and men have different degrees of access not only to capital resources (for example, in Azerbaijan women own only 10.8 percent of registered enterprises), but also to decent jobs and employment in agriculture. Socio-cultural norms, which place restrictions on women's mobility, significantly reduce women's livelihood choices. Therefore, taking into account a gender perspective in

the provision of new technologies and acquisition of skills and ensuring that extension services are gender-sensitive, will contribute not only to sustainable agricultural services, but also to improved rural community livelihoods in general.

Different development projects were implemented in the past by international organizations, particularly by WB, EU, GIZ, The Swiss Agency for Development and Cooperation (SDC), etc., in improving public services such as education, research and extension. Currently, however, not many donors have been involved in supporting this subsector, except for EU, which is planning to provide support to the Government of the Republic of Azerbaijan in the direction of information and consultation services as identified within the EU Action Plan for Azerbaijan 2015. The government itself has recently extended its support programmes, such as establishing a network of agricultural advisory services and an infrastructure investment project for modernization of the Agrarian Science Centre and its regional departments and research institutions. Under this government priority area FAO will support government initiatives and make efforts to establish synergy and effectively collaborate with any donor that might be involved in future development of the sector.

PRIORITY 4: Strengthening the policy and institutional framework for agriculture and rural development

The government needs support to promote rural development through strengthened policy and institutional frameworks.

Government rural development programmes for reducing poverty, increasing productivity and improving living conditions in rural areas supported: FAO will support rural development through the provision of technical assistance for small farmers and associations thereby elevating female and male farmers' status within the value chains. The government's job creation in rural areas, especially for rural women, and income-generation activities, will be supported. The main objectives expected from these activities for small farmers' associations, groups and organizations are to obtain better opportunities for processing and marketing under improved conditions.

Smallholder farmers and traders successfully engaged in marketing food, inclusive of agrifood chain development: Enhanced growth in market-oriented production will be achieved through availing organized groups of farmers and traders of agribusiness knowledge and increasing awareness of, and access to, agroprocessing technologies, markets, market information, trade platforms and quality standards by all actors along the relevant value chains. Interventions will involve: i) increasing access to appropriate value-added technologies of selected commodities for both men and women; and ii) building effective partnerships among smallholder farmer associations, traders, financial institutions, agroprocessors and wholesale/retail traders.

Improved quality and safety of food systems at national and local levels: FAO will support institutional strengthening with a strong focus on EU market standards in the areas of foods of plant and animal origin and the connection to food-safety rules; more specifically in the development of tools, training producer groups and capacity-building of extension workers and inspectors. FAO's support will concentrate on: i) building awareness of food quality/safety and hygiene through regular consultations and information-sharing; and ii) developing capacity for implementing sanitary and phytosanitary standards, food control management and laboratory testing facilities.

Synergies will be created with other development partners, such as WB, EU and IFC, involved in this priority area.

PRIORITY 5: Improved crop, fisheries and livestock production

FAO will assist the country in efficient utilization of plant genetic resources and seed-system improvement by enhancing access to high-quality seeds and the introduction of international standards. As a result of these activities, while production is increasing through the use of high-quality seeds, the country's own plant genetic resources will be used more efficiently. Azerbaijan's cattle and bee breeds' productivity will be increased through better breeding and feeding management.

Assistance provided for efficient utilization of plant genetic resources (PGR) and improvement of seed systems: FAO interventions in this priority area will focus on: i) efficient utilization of PGR and upgrading the seed system; ii) improving national capacities through the introduction and promotion of modern plant breeding techniques (marker-assisted selection (MAS), gene transformation, etc.);

iii) strengthening capacities in variety testing, registration and protection; iv) development of national seed-quality standards and a seed certification system harmonized with international standards; and v) support will also be provided to the government in recognition and ratification of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

FAO will also provide assistance in the adoption and promotion of IPM and conservation agriculture (CA) by supporting good practices; the activities provide an important contribution to climate-change adaptation and support the sustainable use of natural resources while protecting nature and human health.

CA is recognized as the core of sustainable crop production and intensification and an efficient tool of climate-smart agriculture (CSA). Thus, the promotion of CA in farmers' fields facilitates an increase in crop production, maintains soil fertility and health and improves carbon sequestration. CA principles were tested and endorsed under irrigated cropping systems in Azerbaijan during 2011-2013, and in this regard, FAO will provide technical support for further adoption and promotion of CA through wider demonstrations in farmers' fields, the development of national strategies and strengthening the institutional framework.

In the area of seed-system improvement close cooperation will be established with WB-ACIP, which has a seed component and intends to provide investment support to strengthening the infrastructure of national variety- and seed-testing institutions. In addition, improved coordination will be established with the seed legislation and value chain components of IFC's Azerbaijan Agribusiness and Tax Project.

Technical assistance provided to develop the livestock sector in the country: The main focus areas in the livestock sector will be: i) improvement of cattle and bee breeds; ii) production supported through conservation of animal genetic resources; iii) development of the animal breeding plan of action and animal breeding strategy; and iv) technical assistance in improving animal feed and fodder-crop production as well as quality control of animal feed.

Development of the national capacity on fisheries supported: FAO will assist the government in the overall development of the fisheries sector, from production to marketing. It is expected that the sector will be further enhanced through: i) combatting illegal, unreported and unregulated (IUU) fishing in a more efficient way; (ii) rehabilitation and development of commercial fisheries, aquaculture, quality, safety, and marketing of fish and fish products, including control of fish diseases; and (iii) support to scientific research and development (R&D) for fisheries as part of projects and programmes.

Rural women and men have different roles in agricultural production and their contributions must be equally valued. Technical assistance interventions that do not encourage rural women's greater participation in modern approaches - in efficient utilization of PGR and improvement of seed systems, development of the livestock sector, fisheries and aquaculture systems - due to their heavy involvement with household responsibilities may, in the end, result in their disadvantaged positions, with limited access to gainful activities.

PRIORITY 6: Sustainable, equitable and efficient forestry, land and water resources management

Institutional capacities strengthened to enhance performance of the irrigation and drainage sector: The irrigation sector is characterized by largely deteriorated irrigation and drainage infrastructure and weak institutional capacity to provide reliable water-delivery services. Since land privatization, infrastructure systems have not been appropriately managed, operated or maintained, with significant environmental impacts, particularly waterlogging and/or salinization. Other issues of critical importance are transboundary water resources management for ensuring sustainable management, protection and use of water resources for socio-economic development and environmental sustainability in selected transboundary river basins. FAO will assist the country in: i) strengthening institutional capacities in irrigation advisory bodies and strengthening water users' associations' (WUAs')/farmers' capacities; ii) supporting the development of the government strategy on water management, focusing on agricultural water demand management; and iii) improving irrigation and drainage systems supported through technical assistance provided to the investment projects financed by WB and IFAD as part of FAO's cooperative programmes.

Institutional capacities strengthened for sustainable management: Land reclamation is another priority and a set of measures are being promoted for reclaiming saline lands and preventing soil erosion in mountainous and highland areas. FAO will provide assistance in: i) strengthening institutional capacities for sustainable land management, with a focus on reclaiming degraded lands, preventing soil erosion in mountainous and highland areas and restoring soil fertility; and ii) developing capacity by providing training in the introduction of appropriate approaches for better salinity management in irrigated lands, with a focus on development of tools, farmers' participatory training approaches, techniques and integrated agricultural (e.g. water, soil and crop) practices for salinity management of irrigated lands.

Sustainable management of forest and tree resources and rehabilitation and restoration of degraded forest lands supported in line with the NFP action plan: FAO will assist the country in the sustainable management of forests and rehabilitation and restoration of degraded forest lands resulting in: i) increased national capacity for the assessment of forest and tree resources and a forest inventory, as well as multifunctional and participatory forest management planning at local and national levels; ii) enhanced capacity for forest rehabilitation, restoration, afforestation, forest nursery production and plantation techniques; and iii) support to the improvement of climate-change mitigation and adaptation activities within the forestry sector. The first priority should be the assessment of forest and tree resources at national level, which will establish a basis of future forestry activities including forestry-related climate-change mitigation and adaptation work.

Gender is one of the most important determinants of land and water rights and there are pervasive gender inequalities in access to and control over land and water resources. Women farmers' participation in WUAs is limited. Hence, policies and measures to increase participation of women are critical. In addition, major policy changes in land ownership, with the promotion of equal land-tenure systems for men and women, are essential for ensuring the sustainability of the subsector. Men and women use and depend differently on non-wood forest products, with women often disproportionately relying on them; moreover, women and men may have diversified access to and control over trees and non-wood forest products. As a result of these policies and measures the country will have the capacity to assess, restore and better manage its forest resources.

Synergies will be established with IFAD's Integrated Rural Development project assisting poor rural women and men in improving their skills to use available natural resources efficiently for crop and livestock husbandry, and WB's projects on strengthening the institutional and WUAs' capacity to improve the effectiveness and financial viability of on-farm irrigation water distribution and management in selected areas. Over the last three years FAO has been involved with both WB- and IFAD-funded irrigation projects on irrigation modernization/rehabilitation and will continue its involvement during the period of the CPF. In the forestry sector, cooperation and coordination will be created with the United Nations Development Programme (UNDP) Global Environment Facility (GEF) project on improved management of mountainous ecosystems to address degradation of pastures, identification of priority ecosystems and/or economic sectors vulnerable to climate change and development of strategies for improving their resilience.

In providing technical assistance and advisory services, FAO pays attention to social issues, such as gender equality and social protection. There will also be efforts to coordinate with other partner agencies with similar mandates to leverage financial, human and knowledge resources. FAO considers such strategic partnership and aid coordination to be critical for ensuring the effectiveness of its field programmes.

In compliance with the CPF formulation guidelines and the FAO Policy on Gender Equality, FAO Azerbaijan is committed to enhancing its advancement of gender equality in order to promote improved food security and nutrition in the country through mainstreaming gender issues in the new CPF (2016-2020). As a requirement, FAO Azerbaijan conducted a gender assessment for agriculture and rural development that will guide all FAO interventions in the country in order to identify the strengths and gender gaps that could be addressed in formulating and implementing the new CPF.

IV. Implementation, monitoring and reporting arrangements

The total estimated resource/financial requirements for the implementation of the CPF is USD 21.85 million, out of which USD 12.4 million are secured: USD 10 million from the Government of Azerbaijan under the newly signed FAO-Azerbaijan Partnership Programme; USD 1.2 million from the FAO Technical Cooperation Programme (TCP) and USD 1.2 million as approved from the Standards and Trade Development Facility (STDF) and FAO-Turkey Partnership Programme (FTPP) projects. The remaining USD 9.45 million is a resource mobilization target out of which USD 4.5 million are expected to come from GEF, USD 1.05 million from TCP, and the remaining USD 3.9 million from other resource partners.

FAO works in partnership with institutions, including public agencies particularly national governments, other public institutions, the private sector, international financial institutions (IFIs), multilateral agencies and other UN agencies. The major development partners that in recent years have contributed to the agricultural development of Azerbaijan alongside FAO include:

- The main bilateral agencies active in the sector: these include EU, the United States Agency for International Development (USAID), GIZ and the Turkish Cooperation and Coordination Agency (TIKA)
- The key multilateral agencies are WB, IFAD, the Islamic Development Bank (IDB) and the World Trade Organization (WTO) (through STDF).
- The prominent international NGOs in the agricultural sector, notably the Oxford Committee for Famine Relief (OXFAM), and the national NGOs active in the agricultural sector.
- Among other UN agencies UNDP has been involved in addressing environmental issues, such as improved management of mountainous ecosystems to tackle degradation of pastures, identification of priority ecosystems and/or economic sectors vulnerable to climate change and development of strategies for improving their resilience.

FAO has recently signed a partnership agreement with the Government of Azerbaijan (GoA) which begins with a five-year portfolio of USD 10 million and will focus on priority activities at national level as set forth in the CPF for Azerbaijan.

Second phase of FTPP: FAO and the Government of Turkey signed the second phase of the partnership agreement in June 2014 for an initial period of five years (2015-2019), benefiting countries assisted by FAO's Subregional Office for Central Asia (SEC), including Azerbaijan.

FAO-Turkey Forestry Programme (FTFP): FAO and the Ministry of Forestry and Water Affairs of the Government of Turkey signed a partnership agreement in June 2014 on sustainable management of forests and tree resources. The programme covers an initial period of five years (2014-2018) focusing on areas such as forest management and protection, forest policy and institutional development, and other cross-cutting issues. The agreement will benefiting countries assisted by FAO's Subregional Office for Central Asia (SEC), including Azerbaijan.

The CPF is co-owned by GoA and FAO. Accordingly, implementation of the CPF will be pursued in close consultation and collaboration with the ministries and national institutions concerned. Given that most of the proposed activities of the CPF will be implemented by or in close collaboration with the MoA, the ministry will share the responsibility with FAO for overall coordination of the CPF's implementation.

Resource partners, their activities and priorities: Donor support has decreased dramatically in the past few years in Azerbaijan, following rapid economic development, with the country reaching the status of an upper middle-income country, evolving mainly from an aid-receiving country to an emerging donor and from development-based cooperation to a partnership, based on significantly increased national capacities and more knowledge-intensive, advocacy-driven synergy. The main donors today are WB, IFAD, the European Bank for Reconstruction and Development (EBRD), EU, IDB, Switzerland's State Secretariat for Economic Affairs (SECO), USAID, TIKA and UN agencies.

WB is the main financial institution supporting GoA in the provision of structural reforms, large infrastructure investments and rural development programmes. The main areas of WB support include

agriculture and irrigation services, such as WUAs Development Support Project with USD 80 million. In the area of rural development, an important project is the Second Azerbaijan Rural Investment Project (2012-2017), with a budget of USD 53.64 million. WB is implementing ACIP (2014-2018) with a budget of USD 53.25 million and with a broad objective to support commercial activities in agriculture to promote agribusiness/food processing through a line of credit and upgrade and modernize plant protection and veterinary services.

IFAD currently has one ongoing credit project - the Integrated Rural Development Project (2011-2018) - with a total budget of USD 103.8 million, jointly financed by IFAD and IDB and with the overall goal of reducing rural poverty in four targeted districts through increased food security and enhanced income-raising opportunities.

EBRD has allocated USD 44 million to support Azerbaijan's agricultural sector through local banks for the development of agriparks and logistics bases, storage of produce and restoration of rural roads.

EU cooperation in agriculture and rural development is significant and relevant to regional priorities identified under the assessments of EaP countries. The ongoing programmes are: (i) "Support to local initiatives on regional and rural development in Azerbaijan" (\pounds 4.3 million). The global objective of this call for proposals for the Republic of Azerbaijan is to contribute to the reduction of regional socioeconomic disparities and to the diversification of the economy by creating conditions for balanced and sustainable economic development across all regions of Azerbaijan; and (ii) Support to regional and rural development (SRRD) in Azerbaijan, with a budget of \pounds 9.5m. The overall objective of this programme is to contribute to diversification of the economy and sustainable regional development in Azerbaijan, while reducing socio-economic disparities among regions

GIZ does not have any specific agricultural projects, although three projects are related to agricultural subsectors: i) a private-sector development project; ii) a local governance project; and iii) a biodiversity project. The private-sector development project includes a trade promotion component which focuses on agricultural export-oriented value chains. The projects aim to improve skills in market research, renewed market access, international marketing, quality management etc.

IFC's portfolio is currently USD 3 million - Azerbaijan and Agribusiness Tax Project - funded by SECO and focuses on agricultural value chains, trade logistics, tax administration, food safety, seed legislation and certification.

WTO, through STDF, is funding a project focused on strengthening phytosanitary control services in Azerbaijan. The project is aimed at supporting improvement of plant quarantine laboratories, strengthening technical capacity of phytosanitary inspectors and improving their language skills to facilitate regional and international trade.

Among other UN agencies, UNDP has been involved in addressing environmental issues, such as improved management of mountainous ecosystems to tackle degradation of pastures; identification of priority ecosystems and/or economic sectors vulnerable to climate change and development of strategies for improving their resilience.

Monitoring and Evaluation: It is recommended that a steering committee be established to periodically review and advise on progress in the implementation of the CPF, with membership comprising senior officials, project team leaders and the FAO Country Office in Azerbaijan. As the mandates of both FAO and the CPF are multisectoral, involving working relations with several relevant ministries, it appears most appropriate to seek collaboration from other ministries for the steering committee.

As the CPF is a dynamic document, such periodic reviews should be undertaken every two years or more frequently if necessary.

With delegated authority, as conferred in the context of FAO's decentralization policy, FAO Azerbaijan will take leadership and responsibility for the implementation of the CPF on behalf of FAO. For this purpose, FAO Azerbaijan will be supported by the multidisciplinary team (MDT) at SEC, technical officers at REU and FAO headquarters.

The Government of the Republic of Azerbaijan, represented by the Ministry of Agriculture, and FAO are pleased to launch jointly the FAO Country Programming Framework (CPF) 2016-2020 in Azerbaijan, as stipulated hereunder.

By endorsing this document, the Government of Azerbaijan is committed in providing collaboration, to the fullest possible extent with regard to available capacity and resources, to facilitate the achievement of objectives and activities proposed in this document.

For the Government of the Republic of	
Azerbaijan	

For the Food and Agriculture Organization of the United Nations

H.E. Heydar Asadov Minister for Agriculture

Mustafa Imir	

FAO Representative in Azerbaijan

Date: _____

Date: _____

CPF Annex 1: **CPF** Results and Resource Requirements for 2016-2020

Government priority 1: Animal health and plant protection, including transboundary animal and plant disease control

		Indicative Resource Requirements (USD) ¹					Implementing
Output and indicator	Indicator target and	Total estimated	Res Res		Resource mobilization target		partners (government
	year of achievement	resources required ²	funding	Voluntary (including UTF)	SSC or other partnerships	ТСР	actors and others)
Country Outcome 1: Animal health and plant protection, including transbounda							
Related UNDAF Outcome: Strategic Priority Area 2: Strengthening institutiona		public and soci	al services				
Strategic Priority Area 3: Improving environmental management and resilience							
Regional Priority : RP4: Control of animal, plant and foodborne pests and diseas	An efficient animal	300 000		300 000			MoA
Output 1.1.1: Control of animal and zoonotic diseases (rabies, brucellosis, FMD, PPR) supported	disease control system	300 000		500 000			MOA
Org. output: 4.1.4.02	developed and						
Public sector institutions are supported to improve their capacity to design and	implemented						
implement better policies and regulatory frameworks, and to provide							
public services related to plant and animal health, food safety and quality							
Output 1.1.2: Technical assistance provided for quality control of animal	Improved quality control	400 000		400 000			MoA
origin products and veterinary drugs	system of animal						
Org. output : 4.1.4.02	products and veterinary						
Public sector institutions are supported to improve their capacity to design and	drugs						
implement better policies and regulatory frameworks, and to provide							
public services related to plant and animal health, food safety and quality							
Country Outcome 2: Assistance provided in the introduction of an integrated pe							
Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable and							c Priority Area 2:
Strengthening institutional capacities and effective public and social services; Str	rategic Priority Area 3: Imp	proving enviro	nmental manag	gement and resilie	nce to hazards a	nd disasters	
Regional Priority: RP1 Strengthening food security and nutrition							
Output 1.2.1: Introduction of Integrated Pest Management (IPM) system.	Fifteen percent increase	500 000		500 000			MoA
Org. output: 2.1.1	in farming households utilizing IPM and other						
Innovative practices for sustainable agricultural production (including	safe measures						
traditional practices that improve sustainability, such as those listed as	suje measures						
Globally Important Agricultural Heritage Systems) are identified, assessed and							
disseminated and their adoption by stakeholders is facilitated	Technicallus and the	1,000,000	1 000 000				
Output 1.2.2: Capacity of plant quarantine and phytosanitary control	Technical knowledge and experience of	1 000 000	1 000 000 (STDF project)				MoA, State Customs
services strengthened	specialists on modern		(SIDE project)	,			Committee
Org. output ; 4.1.4.01 <i>Public sector institutions are supported to improve their capacity to design and</i>	and internationally						
implement better policies and regulatory frameworks, and to provide public	accepted plant-						
services related to plant and animal health, food safety and quality	quarantine and						
services retaice to plant and animal nearly, joba sujery and quality	phytosanitary-control measures enhanced						
	measures ennancea						

¹ An indicative value of resource requirements should be provided for the entire CPF period.

² Total resources required represent the sum of available funding (remaining budget of the operationally active projects at the start year of the CPF) and the resource mobilization target (representing an indicative value of the resources needed for implementation of the planned activities, as advised by the relevant technical officers, or the figures already indicated in the project concept notes).

Total resource requirements for a priority area	2 200 000	1 000 000	1 200 000	
rotar resource requirements for a prioraly area				

Rationale for FAO's assistance: The decreased productivity level and increased mortality due to closure or reduction in capacities of industries for animal-feed produce and livestock-products processing. The change in ownership and management of the livestock sector also require different policies and strategies to adapt to the current situation. As a result of successful implementation of the CPF priority interventions in the animal health sector, zoonotic and transboundary animal diseases will be controlled and safer food of animal origin will be available in Azerbaijan. Capacity development and continued education of animal health professionals and support in the use of modern methodologies and technologies in animal health have been the main priorities. These outputs will contribute to the UNAPF (2016-2020) Priority Areas 2 and 3, specifically to sustainable management of natural resources and to improved access to quality public and social services, which have been recognized as priority areas for UN support to the government.

Taking into account the increase in risks of climate change and occurrence of new pests and diseases of crops, it was proposed to strengthen cooperation with FAO in the mitigation of adverse effects of climate change on agriculture and the introduction of efficient plant protection measures, e.g. integrated pest management (IPM). To this end an adaptation mechanism for farming systems to climate change is to be developed, crop diversification is to be promoted, selection of genotypes tolerant to abiotic stresses are to be strengthened and IPM is to be tested, adopted and promoted. FAO will provide technical assistance to introduce IPM systems and conservation agriculture by supporting good practices and combining them with the diversification of agricultural systems. These activities support the sustainable use of natural resources while protecting nature and human health. Synergies will be identified with IFAD, WB and EU, the development partners involved in the relevant activities.

Government priority 2: Supporting investments in agriculture, food security and rural development

		Indicative Resource Requirements (USD) ³				Implementing	
Output and indicator	Indicator target and	Total estimated	Available	Resource mobilization target			partners (government
	year of achievement	resources required ⁴	funding	Voluntary (including UTF)	SSC or other partnerships	ТСР	actors and others)
Country Outcome 1: Technical assistance provided in sustainable agriculture and							
Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable an							
Area 2: Strengthening institutional capacities and effective public and social service and service and social service and social service and social service and social service and service	vices; Strategic Priority Ar	ea 3: Improvir	ng environment	al management an	d resilience to h	azards and di	sasters
Regional Priority: RP1: Strengthening food security and nutrition	T 1 10 1	250.000		250.000			24.4
Output 2.1.1: Technical assistance in agricultural systems to boost	Increased agrifood production from	250 000		250 000			МоА
sustainable productivity growth and increase the overall output of high	advanced agricultural						
value goods and services in the agricultural sector	services by 2019						
Org. output: 2.1.1							
Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as							
Globally Important Agricultural Heritage Systems) are identified, assessed and							
disseminated and their adoption by stakeholders is facilitated							
Output 2.1.2: Support for the formulation of the national strategies and	GAP principles	400 000		400 000			МоА
policies on adoption and promotion of GAP provided	integrated in national	400 000		400 000			MUA
Org. output: 2.2.2	agricultural policy by						
<i>Countries are supported to strengthen national governance frameworks that</i>	2019						
foster sustainable agricultural production and natural resources management							
Country Outcome 2 : Technical assistance in promotion of good governance in	enabling environment for	investments					
Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable an			rninned by incr	eased diversification	on and decent w	ork Strategi	Priority
Area 2: Strengthening institutional capacities and effective public and social serv							
Regional Priority: RP1: Strengthening food security and nutrition		eu er improvii		an management an			
Output 2.2.1: Support for the improvement of an enabling environment	National programmes	300 000				300 000	MoA
for agricultural reform processes in concurrence with government	develop an enabling						
activities	environment for						
Org. output: 4.3.1	proactive reform						
Public and private sector institutions are supported to design and implement	processes to tackle disasters and other risks						
financial instruments and services that improve access to capital for efficient	aisasters and other risks						
and inclusive agrifood systems							
Output 2.2.2: Support for integrating resilience into policy, legal and	National drought	300 000		300 000			MoENR
institutional frameworks for integrated natural resources management	policies and/or						МоА
and use	incentives for climate-						AWFJSC
Org. output: 4.3.1	mart agriculture in place						
Public and private sector institutions are supported to design and implement							
financial instruments and services that improve access to capital for efficient							
and inclusive agrifood systems							

³ An indicative value of the resource requirements should be provided for the entire CPF period.

⁴ Total resources required represent the sum of available funding (remaining budget of the operationally active projects at the start year of the CPF) and the resource mobilization target (representing an indicative value of the resources needed for the implementation of the planned activities, as advised by the relevant technical officers, or the figures already indicated in the project concept notes).

Total resource requirements for a priority area	1 250 000	950 000	300 000
Rationale for FAO's assistance: A sound investment climate is central to growth a	nd poverty reduction, by providing opportunities and incentives	for farmers, both smallholders and l	arge-scale producers. Agriculture has
been recognized by the government as primarily a private-sector activity that is subject	ect to external influences. It is recommended that practical and re	eplicable ways are found to connect	poor people with market opportunities
that agriculture offers; tackle their vulnerability to risks; and enable their voice to be	e heard in policies and institutions. Key issues in this context are	the role of markets and increasing a	gricultural trade and investment;
agriculture, food security and rural development policies and institutions; poverty re	duction; service markets for agriculture; gender equality in use o	f and access to natural resources; ca	apacity development and advocacy.
There is need for a more interdisciplinary approach to an enabling environment for i	nvestments. FAO will provide technical assistance to promote su	stainable agriculture and food secu	rity through the introduction of good
agricultural practices (GAP) to enable stable market growth of high-value agricultur	al products and services in Azerbaijan and abroad. The governme	ent programme "Azerbaijan: Vision	2020" will provide incentives for
farmers to enable environments for successful investments in production and market	ting of agricultural products. FAO will therefore support this more	mentum of the government by provi	iding technical assistance in the
development of equitable incentive mechanisms such as the establishment and prom	otion of credit systems, crop insurance, etc., based on local cond	itions. This will contribute to makir	ng markets work through enabling
environment reforms in the future.			

Government priority 3: Capacity development, including agricultural education, research and extension.

		Indicative Resource Requirements (USD) ⁵					Implementing
Output and indicator	Indicator target and year of achievement resources required ⁶			Resource mobilization target		get	partners (government
			funding	Voluntary (including UTF)	SSC or other partnerships	ТСР	actors and others)
Country Outcome 1 : Technical assistance provided in sustainable agriculture ar Related UNDAF Outcome : Strategic Priority Area 1: Promoting sustainable and Area 2: Strengthening institutional capacities and effective public and social serve Regional Priority : RP1: Strengthening food security and nutrition	d inclusive economic deve						
Output 3.1.1: Technical assistance in improvement of agricultural education and extension services Org. output: 2.1.3 Organizational and institutional capacities of public and private institutions, organizations and networks are strengthened to support innovation and the transition towards more sustainable agricultural production systems	Government scales up investment in agriculture and natural resources management	300 000				300 000	МоА
Output 3.1.2: Promotion and establishment of agricultural extension services and other mechanisms for developing capacities of smallholders and large-scale agrifood producers Org. output: 3.1.4 Support to innovations in rural services, provision and infrastructure development accessible to the rural poor	Agricultural extension system established and institutions created	350 000			350 000		МоА
Output 3.1.3: Capacity development of rural farmers (male and female) in crop production and marketing Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets	Rural farmers' capacity in marketing and crop production developed	300 000			300 000		MoA
Output 3.1.4: Capacity of relevant agricultural institutions and academia is strengthened to promote food security and nutrition Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets	Government promotes food security and nutrition through academia and agricultural institutions	300 000			300 000		МоА
Total resource requirements for a priority area		1 250 000			950 000	300 000	

Rationale for FAO's assistance: As capacity-development is a crucial aspect in achieving sustainable agricultural productivity and food security in the country, FAO will support government programmes to bridge the institutional gap and facilitate multidisciplinary cooperation, which in turn will contribute to improved policies, mechanisms and legislative frameworks. A major area for FAO assistance will be improvement of safety and quality standards. FAO support to rebuilding advisory and extension services and support to organizations, including reviving the present eight regional agrarian science centres. Cross-sectoral cooperation is the primary milestone for integrated policies and frameworks in food security. Therefore, both in-house and external cooperation is necessary to implement programmes and activities jointly, targeting promotion of food security in the country.

⁵ An indicative value of the resource requirements should be provided for the entire CPF period.

⁶ Total resources required represent the sum of available funding (remaining budget of the operationally active projects at the start year of the CPF) and the resource mobilization target (representing an indicative value of the resources needed for the implementation of the planned activities, as advised by the relevant technical officers, or the figures already indicated in the project concept notes).

Government priority 4: Strengthening the policy and institutional framework for agriculture and rural development

		Indicative Resource Requirements (USD) ⁷					Implementing
Output and indicator	Indicator target and year of achievement	Total estimated	Available	Resource mobilization target		rget	partners (government
		resources required ⁸	funding	Voluntary (including UTF)	SSC or other partnerships	ТСР	actors and others)
Country Outcome 1 : Government's rural development programmes for reducing Related UNDAF Outcome : Strategic Priority Area 1: Promoting sustainable and Area 2: Strengthening institutional capacities and effective public and social serve	d inclusive economic deve vices; Regional Priority: R	lopment under	rpinned by incr	eased diversificati	l areas supported on and decent w	1 ork; Strategic	c Priority
Regional Initiative 1: Empowering smallholders and family farms in Europe an Output 4.1.1: Technical assistance to small household farms, farmers' associations, groups and organizations that emerged from the agrarian reform through elevating their status within the value chains provided Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets	d Central Asia Consultations organized for farmers and farmers' associations on ongoing agricultural reforms and their meaning	300 000		300 000			Moz
Output 4.1.2: Technical assistance for formulation of relative policy and institutional frameworks for agriculture and rural development provided Org. output: 1.1.3 Stakeholders at all levels from agricultural, fisheries, forestry and other relevant sectors contribute to formulation and negotiation of frameworks, policies and programmes aimed at accelerating the reduction of hunger, food insecurity and malnutrition Org. output: 3.1.5 Cross-sectoral policy advice and capacity development for the definition of gender-equitable and sustainable rural development and poverty reduction strategies	Government takes measures to adjust its development programmes to rural development or adopts rural development programme	400 000		400 000			Moź
Org. output : 4.1.3 Support to introduction of a land consolidation instrument in Azerbaijan	Land consolidation conducted in pilot area, national strategy for land consolidation developed; national capacity increased	450 000				450 000	Мо.

Regional Initiative 2: Agrifood trade and regional integration in Europe and Central Asia

⁷ An indicative value of the resource requirements should be provided for the entire CPF period.

⁸ Total resources required represent the sum of available funding (remaining budget of the operationally active projects at the start year of the CPF) and the resource mobilization target (representing an indicative value of the resources needed for the implementation of the planned activities, as advised by the relevant technical officers, or the figures already indicated in the project concept notes).

Output 4.2.1: Capacity of national institutions improved to promote entrepreneurship skills of smallholder farmers and traders (including youth and women) Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets	Percent increase for average incomes of smallholders farmers, agricultural value added and Food Loss Index by June 2019	400 000	400 000	MoA MoEI
Output 4.2.2: Agribusiness service providers have improved capacity to offer services/products for value addition in selected value chains, based on smallholder farmers' needs, including women and young farmers Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets	Increased level of farmer satisfaction with service delivery of private agribusiness providers	500 000	500 000	MoA MoEI
Output 4.2.3: Effective partnerships are built between smallholder farmer associations, traders, financial institutions, agroprocessors and wholesale/retail traders Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets	Percent increase in the number of partnerships formed by 2019 Percent increase in the number of youth and women's organizations participating in these partnerships/networks	300 000	300 000	MoA MoEI
Output 4.2.4: Development of a favourable environment and provision of technical support to development of small-scale processing enterprises in rural areas Org. output: 3.1.3 Support to improve access of poor rural producers and households to appropriate technologies and knowledge, inputs and markets Country Outcome 3: Improved quality and safety of food systems at national ar	Percent increase for average income of smallholders farmers, agricultural value added and Food Loss Index by June 2019	400 000	400 000	МоА

Country Outcome 3: Improved quality and safety of food systems at national and local levels

Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; Strategic Priority Area 2: Strengthening institutional capacities and effective public and social services; Strategic Priority Area 3: Improving environmental management and resilience to hazards and disasters **Regional Priority**: RP5: Policy and institutional support for entry of Member States into regional and global trade, standard-setting bodies and organizations of regional economic cooperation **Regional Initiative 2**: Agrifood trade and regional integration in Europe and Central Asia

regional interve 2. i ginose and regional integration in Europe and con				
Output 4.3.1: Public awareness developed on food quality/safety and	Awareness built through	200 000	200 000	MoA
hygiene	regular consultations			MoH
Org. Output : 4.1.4.03	and information-sharing			MoEI
Public sector institutions are supported to improve their capacity to design and	Improved quality			
	and safety of food at all			
implement better policies and regulatory frameworks, and to provide public	stages of the food chain.			
services related to plant and animal health, food safety and quality	Reduced foodborne			
	diseases			
Output 4.3.2: Capacity developed for implementing sanitary and phyto-	Number of revised/new	300 000	300 000	MoA
sanitary standards	food safety standards			MoH
Org. output: 4.1.4.03	and regulations			MoEI
0	0			
Public sector institutions are supported to improve their capacity to design and				
implement better policies and regulatory frameworks, and to provide public				
services related to plant and animal health, food safety and quality				
Output 4.3.3: Public officials trained in food control management	Number of well-trained	350 000	350 000	МоА
1 8	and resourced corps of	220 000	550 000	МоН
Org. output : 4.1.4.03	una resourcea corps of			MOII

Public sector institutions are supported to improve their capacity to design and implement better policies and regulatory frameworks, and to provide public services related to plant and animal health, food safety and quality	inspectors				MoEI
Output 4.3.4: Laboratory testing facilities and HR capacity-development within national food safety institutions strengthened Org. output: 4.1.4.03 Public sector institutions are supported to improve their capacity to design and implement better policies and regulatory frameworks, and to provide public services related to plant and animal health, food safety and quality	Reliable baseline data on foodborne illness incidence and outbreaks Number of consumer awareness campaigns transmitting food safety and hygiene messages Number of domestic food business operators adopting modern food safety management systems	300 000	300 000		MoA MoH MoEI
Total resource requirements for a priority area		3 900 000	3 450 000	450 000	

Rationale for FAO's assistance: The government needs support to promote rural development through strengthened policy and institutional frameworks. In line with this need, FAO will provide support for rural development programmes to assist small household farms that emerged from the agrarian reform through elevating male and female farmers' status within the value chains. This is to be achieved through projects to assist inclusion of farmers' associations, groups and organizations into agrifood chains, and creation of jobs and rural infrastructure.

Lack of information and awareness among key stakeholders is an additional challenge which needs to be addressed. This includes insufficient knowledge of food safety issues among consumers which is one constraint to achieving higher levels of food safety. Furthermore, protection of consumers' rights is not well organized; public supervision of state bodies controlling food safety is minimal. In addition, staff members of state authorities do not have sufficient up-to-date knowledge to undertake the management of food control in accordance with international requirements. Limited capacity among food producers, processors and food businesses to effectively implement GAP, good hygiene practices (GHP), and hazard analysis, critical control points (HACCP) systems; lack of information, lack of infrastructure are also constraints. The Government of Azerbaijan has identified food safety as a main priority area, the need to modernize the official food control systems and to harmonize them with international norms and requirements.

Government priority 5: Improved crop, fisheries and livestock production

			Implementing				
Output and indicator	Indicator target and	Total estimated Available		Resource mobilization target			partners (government
	year of achievement	estimated resources required ¹⁰	funding	Voluntary (including UTF)	SSC or other partnerships	ТСР	actors and others)
Country Outcome 1: Assistance provided in efficient utilization of plant genetic	resources (PGR) and imp		eed systems				
Related UNDAF Outcome : Strategic Priority Area 1: Promoting sustainable and Area 3: Improving environmental management and resilience to hazards and disa Regional Priority : RP1: Strengthening food security and nutrition		lopment under	pinned by incre	eased diversificati	on and decent we	ork; Strategi	ic Priority
Output 5.1.1: Improved access by farmers to high quality seeds supported Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Production of certified seed of newly-released varieties increased by 20 percent	380 000	380 000 (TCP)				МоА
Output 5.1.2: Testing, selection and promotion of drought- and salinity- tolerant crop species and varieties in affected regions of the country Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated		400 000		400 000			МоА
Output 5.1.3: Improved varieties' testing system to comply with international standards supported Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Seed experts trained in variety testing in compliance with international standards Variety testing systems in place by 2019	392 000	392 000 (TCP)				МоА
Output 5.1.4: Adoption and promotion of CA approaches and good practices supported Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Twenty percent of farmlands operated applying CA approach	400 000		400 000			МоА
Output 5.1.5: Recognition and ratification of International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) Org. output: 2.3.3	International Treaty on PGRFA ratified Seed sector benefits from	50 000		50 000			MoENR MoA

⁹ An indicative value of the resource requirements should be provided for the entire CPF period.

¹⁰ Total resources required represent the sum of available funding (remaining budget of the operationally active projects at the start year of the CPF) and the resource mobilization target (representing an indicative value of the resources needed for the implementation of the planned activities, as advised by the relevant technical officers, or the figures already indicated in the project concept notes).

Stakeholders are supported to facilitate implementation and application of international (including regional) instruments and the recommendations/requirements of related governance mechanisms Country Outcome 2 : Technical assistance provided to develop the livestock sec	PGRFA by 2019 tor in the country					
Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable and Area 2: Strengthening institutional capacities and effective public and social serve Regional Priority: RP1: Strengthening food security and nutrition	d inclusive economic deve	lopment under	pinned by increased	diversificatio	n and decent wo	rk; Strategic Priority
Output 5.2.1: Improvement of cattle and bee breeds and production supported through conservation of animal genetic resources and development of animal breeding plan of action and animal breeding strategy Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Farmers trained in animal breeding and apiculture production improved through genetic management Animal and bee productivity is improved	628 000	200 000 (TF) 428 000 (TCP)			МоА
Output 5.2.2: Technical assistance provided in improving animal feed and fodder crops' production as well as quality control of animal feed Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	1000 farmers adopted balanced animal feeding Animal feed quality improved including improvement of winter feeds	450 000		450 000		МоА
Output 5.2.3: Improving cattle productivity and marketing through establishing and supporting farmers' association in Yevlakh District Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated Country Outcome 3: Development of the national capacity on fisheries support	Farmers established their association, improved farm management, animal feeding, animal productivity and increased their incomes	400 000		400 000		МоА
Related UNDAF Outcome : Strategic Priority Area 1: Promoting sustainable and Area 3: Improving environmental management and resilience to hazards and dis Regional Priority : RP1: Strengthening food security and nutrition		lopment under	pinned by increased	diversificatio	n and decent wo	rk; Strategic Priority
Output 5.3.1: Improvement of the production, processing and distribution of fish and fish products; quality assurance for fish and fish products Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Improved systems for production, processing and distribution of fish and fish products	900 000		700 000	200 000 (FTPP)	MoEI MoENR
Output 5.3.2: Technical assistance for fisheries co-management and for developing instruments for combating illegal, unreported and unregulated (IUU) fishing	Legislative base improved to combat IUU fishing and related	400 000		200 000	200 000 (FTPP)	MoENR

Org. output: 2.1.2 Integrated and multisectoral approaches for ecosystem evaluation, management and restoration are identified, assessed, disseminated and their adoption by stakeholders is facilitated	activities					
Output 5.3.3: Pilot donor-financed projects, including that on sturgeon fish farming, and for fisheries research and education Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Sturgeon fish farming and fisheries research and educational projects implemented	600 000		600 000		MoENR
Total resource requirements for a priority area		5 000 000	1 400 000	3 200 000	400 000	

Rationale for FAO's assistance: FAO assistance will be focused on strengthening technical capacities on rehabilitation and improvement of irrigation and drainage systems, restoration of fertility of eroded soils and promotion of conservation agriculture, application of resource-saving technologies and rehabilitation of soils that have suffered from flooding with the purpose of improving land and water resources management. FAO will also provide technical assistance for supporting small-scale household livestock breeders including provision of veterinary services, the latter calling for support to rebuilding, strengthening and providing much better balanced feeds with quality control for improved livestock productivity. Increasing milk production calls for support programmes for increased productivity, reduction of losses and better utilization of raw products, with support aimed at small-scale breeders. Conservation of animal genetic resources as well as beekeeping are national priorities; the survival of bees is important for crop production. Productivity of Azerbaijan cattle and bees will be improved through appropriate breeding and feeding.

The Parliament of Azerbaijan approved amendments to the Law on Fisheries in June 2014 which was developed with the support of FAO. The revised law reflects the aquaculture sector, and plans to establish a fund for intensification, reproduction and protection of living aquatic resources. FAO is currently providing assistance to develop a national fisheries and aquaculture strategy. FAO will assist the government in the overall development of the fisheries sector from production to marketing. It is expected that the sector will be much improved and that illegal, unreported and unregulated (IUU) fishing will be tackled more efficiently. FAO will assist the country in the efficient utilization of plant genetic resources and improvement of seed systems through improved access to high-quality seeds and introduction of international standards. As a result of these activities, while production is increasing by using the high quality seeds, the country's own plant genetic resources will be used in a more efficient manner.

Government priority 6: Sustainable, equitable and efficient forestry, land and water resources management

Country Outcome 1: Institutional capacities strengthened to enhance performance of the irrigation and drainage sector

Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; Strategic Priority Area 3: Improving environmental management and resilience to hazards and disasters

Regional Priority: RP3: Natural resources management, including climate-change mitigation and adaptation

		Indicative Resource Requirements (USD) ¹¹					Implementing
Output and indicator	Indicator target and	Total estimated	Available	Resource mobilization target			partners (government
	year of achievement	resources required ¹²	funding	Voluntary (including UTF)	SSC or other partnerships	TCP	actors and others)
Output 6.1.1: Institutional capacity development on irrigation modernization and agricultural water management, focusing on supporting professional irrigation advisory bodies and strengthening WUAs/farmers' capacities Org. output: 2.1.3 Organizational and institutional capacities of public and private institutions, organizations and networks are strengthened to support innovation and the transition towards more sustainable agricultural production systems	Number of institutions/extension service providers with capacities increased for improving the performance of water- service delivery and increasing productivity of irrigated agriculture	300 000		300 000			AWFJSC MoA
Output 6.1.2: Support the development of the government strategy on water management, focusing on agricultural water-demand management and protection of water quality Org. output: 2.2.2 Countries are supported to strengthen national governance frameworks that foster sustainable agricultural production and natural resources management	oj trrigatea agriculture Agricultural water- management strategy in place	400 000		400 000			AWFJSC MoA
Output 6.1.3: Improvement of irrigation and drainage systems supported through technical assistance provided to investment projects financed by WB and IFAD as part of FAO's cooperative programmes Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Increased efficiency of irrigation systems/increased crop- water productivity	700 000		700 000			AWFJSC MoA
Output 6.1.4: Support to the application of water-saving technologies and improved land management Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated Country Outcome 2: Institutional capacities strengthened for sustainable land m	Increased efficiency of irrigation systems/improved land management/increased crop-water productivity	450 000		450 000			МоА

¹¹ An indicative value of the resource requirements should be provided for the entire CPF period.

¹² Total resources required represent the sum of available funding (remaining budget of the operationally active projects at the start year of the CPF) and the resource mobilization target (representing an indicative value of the resources needed for the implementation of the planned activities, as advised by the relevant technical officers, or the figures already indicated in the project concept notes).

Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; Strategic Priority Area 2: Strengthening institutional capacities and effective public and social services

Regional Priority: RP1: Strengthening food security and nutrition				
Output 6.2.1: Support the establishment of a decision-support system on sustainable land management (SLM) for scaling up and mainstreaming sustainable land management practices for combating land degradation and restoring soil fertility Org. output: 2.2.3 Public service organizations and interorganizational mechanisms are supported for the implementation of national policies, strategies and legislation that foster sustainable agricultural production and natural resources management	SLM information systems in use by 2019	500 000	500 000	AWFJSC MoA
Output 6.2.2: Tools, farmers' participatory training approaches, techniques and integrated agricultural practices (e.g. water, soil and crop) for salinity management in irrigated lands identified, developed and scaled up Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Training and participatory tools introduced for farmers; Farmers' field-school modules for salinity management produced; Number of public and private knowledge organizations that received institutional and/or technical capacity-development. support	400 000	400 000	MoA MoENR AWFJSC

Country Outcome 3: Sustainable management of forest and tree resources and restoration of degraded forest lands supported in line with NFP action plan

Related UNDAF Outcome: Strategic Priority Area 1: Promoting sustainable and inclusive economic development underpinned by increased diversification and decent work; Strategic Priority Area 3: Improving environmental management and resilience to hazards and disasters

Regional Priority: RP3: Natural resource management, including climate-change mitigation and adaptation

Output 6.3.1: National capacities increased for the assessment of forest and tree resources and potential afforestation areas, combined with support delivered in forest restoration by forest nursery production and plantation techniques Org. output: 2.4.3 Capacity development support is provided to institutions at national and regional levels to plan for and conduct data collection, analyses, application and dissemination	Institutional capacity enhanced on forest resources assessment, afforestation, nursery production and plantation Forest resources assessed by 2019	4 500 000	4 500 000 (GEF)		MoENR
Output 6.3.2: Technical support and capacity-building for afforestation and forest restoration works, including forest nursery production and plantation techniques and assessment of potential afforestation areas Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Number of public and private knowledge organizations that received institutional and/or technical capacity-development support	400 000		400 000 (FTPP)	MoENR
Output 6.3.3: Introduction and application of forest management		300 000		300 000	MoENR

certification system Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated				(FTPP)	
Output 6.3.4: Enhancing forest carbon stocks in all types of forests Org. output: 2.1.1 Innovative practices for sustainable agricultural production (including traditional practices that improve sustainability, such as those listed as Globally Important Agricultural Heritage Systems) are identified, assessed and disseminated and their adoption by stakeholders is facilitated	Carbon-stock monitoring system established Reduced emissions and carbon sequestration for delivering global environmental benefits in the target areas	300 000		300 000 (FTPP)	MoENR
Total resource requirements for a priority area		8 250 000	7 250 000	1 000 000	

Rationale for FAO's assistance: The irrigation sector is characterized by largely deteriorated irrigation and drainage infrastructure and weak institutional capacity to provide reliable water-delivery services. Since land privatization, infrastructure systems have not been appropriately managed, operated or maintained, with significant environmental impacts (particularly, waterlogging and/or salinization). Other issues of critical importance are transboundary water resources management (including sharing and joint management of the Kura and Aras rivers and of the Caspian Sea to prevent further pollution and ensure sustainable use of their resources). MoA and AWFJSC will continue the rehabilitation of irrigation and drainage systems and strengthen support to the WUAs to become increasingly more self-sufficient and self-financing. Since land reclamation is another priority, measures are being promoted for reclaiming saline lands and preventing soil erosion in mountainous and highland areas. In addition, major policy changes in land ownership, with the promotion of equal land tenure systems for men and women, are essential for ensuring sustainability of the subsector.

FAO has already been enhancing skills of experts from key institutions on irrigation modernization, land-use system mapping and land-degradation assessment. IFAD is currently assisting poor rural people in improving their skills to use available natural resources efficiently for crop and livestock husbandry. WB is strengthening institutional and WUAs' capacity to improve the effectiveness and financial viability of on-farm irrigation water distribution and management in selected areas. The State Oil Fund of Azerbaijan is also contributing to improve agriculture and irrigation services. FAO has significant experience in the field of irrigation modernization and on-farm water management and has promoted appropriate technologies and developed a set of appropriate tools and approaches for a wide range of stakeholders in improving water-use efficiency and increasing crop-water productivity. In addition, FAO has wide experience in adopting a multidisciplinary approach for sustainable land management.

FAO will assist the country in the sustainable management of forests and restoration of degraded forest lands which will result in increased national capacity for assessment of resources and a forest inventory at local level along with enhanced capacity for forest restoration, forest nursery production and plantation techniques and forestry-related climate change mitigation and adaptation. As a consequence the country will have the capacity to assess its forest resources and to restore and better manage its forests.

Total resource requirements for the CPF	21 850 000	2 400 000	16 050 000	2 350 000	1 050 000
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CPF Annex 2: UN-system linkage

(i) In 2015 the Government of Azerbaijan and the United Nations system in Azerbaijan developed the UN-Azerbaijan Partnership Framework (UNAPF) for 2016-2020, which is currently under government endorsement. The UNAPF is the fourth United Nations cooperation document produced by the UN system in Azerbaijan and is characterized by the transition from mainly development assistance-based cooperation to a partnership, based on significantly increased national capacities and more knowledge-intensive, advocacy-driven synergies with the national planning process.

For the preparation of UNAPF, the UNCT in Azerbaijan, by departing from a more traditional approach to the Common Country Assessment (CCA), conducted a light country analysis to provide insights into the key national development challenges facing the country.

There is a slight difference in the CPF and UNAPF timelines, one of the reasons being that FAO decided to align the CPF cycle more with the FAO-Azerbaijan Partnership Programme (FAPP) cycle since the CPF priorities are fully aligned with the partnership priorities and the government is expected to provide the major contribution to the CPF implementation through trust fund (UTF) projects.

(ii) The UNAPF has been developed under the overall leadership of the UN Resident Coordinator, by the relevant UN agencies, jointly with the government and other stakeholders. The UNCT held a series of substantive consultations throughout 2014, including strategic prioritization and validation workshops in 2014.

FAO was actively involved throughout the entire UNAPF formulation process, including CCA and provided its inputs to the UNDAF milestone events (including, chairing the economic group during the UNDAF strategic prioritization retreat), discussions of the UNDAF formulation working groups and drafting/finalizing the UNDAF document. Agriculture, rural development, natural resources management, food security and safety issues are mentioned and well-positioned in the document.

(iii) FAO's contribution to UNAPF implementation is well reflected in the UNAPF strategic priority areas and outcomes. A high-level UNAPF steering committee, comprising senior government officials as well as representatives of the UN system and key development partners, will provide strategic direction and oversight for implementation of the UNAPF. The UNCT will be responsible for the effectiveness of UN system development activities, especially in cases where resources may be combined. UNCT will oversee the work of three interagency UNAPF result groups, four UN theme groups (UN Gender Theme Group; UN Working Group on Human Rights; Joint UN Team on AIDS; and UN Communications Group), UNAPF Monitoring & Evaluation Group, and the Operations Management Team to be co-chaired by the government and respective UN lead agencies.

(iv) In the context of the development of joint partnerships, UN agencies will review the potential support they can provide for continued agency-specific interventions in the respective areas. A number of agencies have already adjusted their country programmes to reflect the new partnership and others will be doing so in due course. The UNAPF results groups, UN theme groups and M&E Group will ensure that UNCT is collaborating effectively on the priority issues and that it is well integrated into the overall work of the UN system in Azerbaijan.

The UNCT will thus strive for robust joint programming and interagency cooperation, and explore opportunities for resource mobilization and more collective approaches, applying the most appropriate and feasible elements of the Standard Operating Procedures (SOPs) for Delivering as One. This will include elements of one leader (Empowered Resident Coordinator and Empowered UNCT), operating as one, and communicating as one.

(v) A special UNDAF M&E Working Group will be set up to provide technical oversight for the formulation and implementation of the UNDAF M&E Framework, and facilitate close collaboration among partners concerned. During the UNAPF implementation, the M&E Group will regularly update and follow implementation of the UNAPF M&E calendar to enhance interagency and intergovernmental coordination and collaboration in monitoring and evaluation, identify synergies in data collection activities and harmonize project and programme evaluations by agencies, where feasible. The M&E Group also will provide evidence-based guidance on processes, tools and timing in undertaking UNAPF annual reviews, UNAPF progress reporting, and the final UNAPF evaluation.

CPF Annex 3: TCP indicative pipeline

Country	Azerbaijan					
CPF Implementation cycle	Start: Year 2016	End: Year 2020				
Time frame for the indicative TCP pipeline	Start: Year 2016	End: Year 2019				
Ref. to CPF Priority Outcome/or Output	TCP contribution to CPF result - title and scope/type of interventions (TCP and TCP facility)	Indicative biennium for resource allocation	Indicative resource requirements/ range (USD)	Implementing government institution/part- ner		
	tutional framework for agriculture and rural develog programmes for reducing poverty, increasing productive		conditions in rural are	as supported		
Output 4.1.3 : Support to introduction of a land consolidation instrument in Azerbaijan	Improved capacities for conducting land consolidation	2016-17	450 000	MoA		
Priority 2: Supporting investments in agricul Outcome 2: <i>Technical Assistance in promotio</i>	lture, food security and rural development n of good governance in an enabling environment for i	nvestments				
Output 2.2.1 : Support for the improvement of an enabling environment for agricultural reform processes in concurrence with government activities	Improvement of an enabling environment for agriculture reform processes	2016-17	300 000	MoA		
Priority 3: Capacity development, including agricultural education, research and extension						
Outcome 1: Technical assistance provided in s			I			
Output 3.1.1: Technical assistance in	Increased capacities for the production and analysis	Tentative for 2018-19	300 000	MoA, MoENR		
improvement of agricultural education and	of agricultural and natural resources data					
extension services						