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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX**

of the Commission Implementing Decision on the financing of the individual measure in favour of Azerbaijan for 2021

**Action Document for EU Resilience Facility for Azerbaijan**

**INDIVIDUAL MEASURE**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and measure in the sense of Article 23(3) of NDICI – Global Europe Regulation.

**1. SYNOPSIS**

**1.1. Action Summary Table**

|   |   |
|---|---|
| <b>1. Title</b><br><b>CRIS/OPSYS</b><br><b>Basic Act</b>        | EU Resilience Facility for Azerbaijan<br>CRIS number: NDICI-GEO-NEAR/2021/43001<br>Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)   |
| <b>2. Team Europe Initiative</b>                                | No  |
| <b>3. Zone benefiting from the action</b>                       | The action shall be carried out in Azerbaijan   |
| <b>4. Programming document</b>                                  | Multiannual Indicative Programming Document (MIP) 2021-2027 <sup>1</sup>  |
| <b>5. Link with relevant MIP(s) objectives/expected results</b> | Component 1:<br>MIP priority area 5 - Resilient, gender-equal, fair and inclusive societies<br>Specific objective: To contribute to the modernisation of the primary health system in Azerbaijan, enhancing quality and access in line with European standards and practices. Expected result: The national primary health system is aligned with World Health Organisation (WHO) recommendations and EU good practices.<br><br>Component 2:<br>MIP priority area 3: Environmental and climate resilience<br>Specific objective: To enhance sustainable and inclusive regional development and support environmental protection, including in the less developed regions. Expected results: (a) Policy, programming and management capacity for sustainable and |

<sup>1</sup> The Multiannual Indicative Programme is in the process of being adopted.

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|  | inclusive regional development improved; (b) Community engagement improved to contribute to confidence building and peacebuilding.  |
| <b>PRIORITY AREAS AND SECTOR INFORMATION</b>   |   |
| <b>6. Priority Area(s), sectors</b>            | Regional and Rural development, DAC codes 310 – Agriculture, Forestry & Fishing; 410 – General environmental; 430 – Other Multisector (food safety, rural development).<br><br>Health, DAC code 120 - Health  |
| <b>7. Sustainable Development Goals (SDGs)</b> | Main SDG – Component 1:<br>SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (target 8.2; target 8.3; target 8.5; target 8.6)<br><br>Other significant SDGs (up to 9) and where appropriate, targets:<br>SDG 1. End poverty in all its forms everywhere<br>SDG 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture<br>SDG 3. Good health and well-being<br>SDG 5. Achieve gender equality and empower all women and girls<br>SDG 6. Ensure availability and sustainable management of water and sanitation for all<br>SDG 10. Reduced inequalities<br>SDG 12. Ensure sustainable consumption and production patterns<br>SDG 13. Take urgent action to combat climate change and its impacts<br>SDG 16. Peace, Justice and Strong Institutions |
| <b>8 a) DAC code(s)</b>                        | <b>311 – Agriculture (20%)</b><br>31110 Agricultural policy and administrative management<br>31120 Agricultural development<br>31130 Agricultural land resources<br>31140 Agricultural water resources<br>31191 Agricultural services<br><br><b>160 - Other Social Infrastructure &amp; Services (5%)</b><br>16020 Employment creation<br><br><b>430 - Other Multisector (10%)</b><br>43040 Rural development<br>43073 Food safety and quality<br><br><b>121 – Health, general (40%)</b><br>12110 – Health policy and administrative management<br>12181 - Medical education/training<br><br><b>122 – Basic Health (25%)</b><br>12220 - Basic health care<br>12281 - Health personnel development   |

|                                    |  |                                     |  |  |
|------------------------------------|--|-------------------------------------|--|--|
| <b>8 b) Main Delivery Channel</b>  | 40000 – Multilateral Organisations (International Organisations and/or Member State Donor Agencies)  |                                     |  |  |
| <b>9. Targets</b>                  | <input type="checkbox"/> Migration<br><input checked="" type="checkbox"/> Climate<br><input checked="" type="checkbox"/> Social inclusion and Human Development<br><input checked="" type="checkbox"/> Gender<br><input checked="" type="checkbox"/> Biodiversity<br><input type="checkbox"/> Education<br><input type="checkbox"/> Human Rights, Democracy and Governance |                                     |  |  |
| <b>10. Markers (from DAC form)</b> | <b>General policy objective</b>  | <b>Not targeted</b>                 | <b>Significant objective</b>   | <b>Principal objective</b>   |
|                                    | Participation development/good governance  | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
|                                    | Aid to environment   | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
|                                    | Gender equality and women’s and girl’s empowerment   | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
|                                    | Trade development  | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>   |
|                                    | Reproductive, maternal, new-born and child health  | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
|                                    | Disaster Risk Reduction  | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>   |
|                                    | Inclusion of persons with Disabilities   | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
|                                    | Nutrition  | <input type="checkbox"/>            | <input type="checkbox"/>   | <input checked="" type="checkbox"/>  |
|                                    | <b>RIO Convention markers</b>  | <b>Not targeted</b>                 | <b>Significant objective</b>   | <b>Principal objective</b>   |
|                                    | Biological diversity   | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
|                                    | Combat desertification   | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>   |
|                                    | Climate change mitigation  | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>   |
|                                    | Climate change adaptation  | <input type="checkbox"/>            | <input checked="" type="checkbox"/>  | <input type="checkbox"/>   |
| <b>11. Internal markers</b>        | <b>Policy objectives</b>   | <b>Not targeted</b>                 | <b>Significant objective</b>   | <b>Principal objective</b>   |
|                                    | Digitalisation<br>Tags: digital connectivity<br>digital governance<br>digital entrepreneurship<br>job creation<br>digital skills/literacy<br>digital services  | <input checked="" type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> |
|                                    | <u>Connectivity</u><br>Tags: transport   | <input checked="" type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/>   | <input type="checkbox"/><br><input type="checkbox"/>   |

|  |   |                                     |  |  |
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|  | people2people<br>energy<br>digital connectivity   |                                     | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> | <input type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/> |
|  | Migration   | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | <input type="checkbox"/>   |
|  | Reduction of Inequalities   | <input type="checkbox"/>            | <input type="checkbox"/>   | <input checked="" type="checkbox"/>  |
|  | Covid-19  | <input type="checkbox"/>            | <input type="checkbox"/>   | <input checked="" type="checkbox"/>  |
| <b>BUDGET INFORMATION</b>  |   |                                     |  |  |
| <b>12. Amounts concerned</b>   | Budget line: 14.020111 Eastern Neighbourhood<br>Total estimated cost: EUR 14 420 000<br>Total amount of EU budget contribution EUR 13 500 000<br><br>This action is co-financed in joint co-financing by:<br>- International Organizations for an amount of EUR 920 000 |                                     |  |  |
| <b>MANAGEMENT AND IMPLEMENTATION</b>   |   |                                     |  |  |
| <b>13. Implementation modalities (type of financing and management mode)</b> | Project Modality<br><b>Indirect management</b> with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1   |                                     |  |  |

## 1.2. Summary of the Action

The Action will support Azerbaijan towards **resilience and socio-economic recovery**, with a particular focus on **inclusive and sustainable growth in rural areas** as well as in **building a more resilient health system**. The two proposed components covered by this Action are directly linked to the policy objectives outlined in the Joint Communication on the future of the Eastern Partnership<sup>2</sup> and in line with the policy targets of the Joint Staff Working Document: Structured Consultation on the future of the Eastern Partnership<sup>3</sup> with a clear focus on resilience, recovery and reform. The Action is also coherent with the Economic and Investment Plan and the new National Priorities of Azerbaijan. In addition, the two components are to be covered under the Multiannual Indicative Programme (MIP) 2021-2027. Ultimately, the Action will contribute towards the **long-term policy objectives of resilient, sustainable and integrated economies, environmental and climate resilience and fair and inclusive societies**.

## 2. RATIONALE

### 2.1. Context

The framework for EU-Azerbaijan relations is embodied in the **Partnership and Cooperation Agreement (PCA)** in force since 1999. In February 2017, negotiations were launched on a comprehensive new agreement between EU and Azerbaijan, which is to replace the PCA and better reflect the shared objectives and challenges the EU and Azerbaijan face today. Negotiations are ongoing and currently substantial progress has

<sup>2</sup> JOIN(2020) 7 final.

<sup>3</sup> SWD(2021) 186 final.

neither been made with regard to finalising the new EU-Azerbaijan comprehensive agreement nor in the negotiations of the EU-Azerbaijan Aviation agreement.

The **EU-Azerbaijan Partnership Priorities**<sup>4</sup>, adopted on 28 September 2018, provided guidance to the EU-Azerbaijan cooperation for the period of 2018-2020. The Partnership Priorities are to be extended for the period of 2021-2024 in order to serve as basis for the future Multiannual Indicative Programme and to take also into account Azerbaijan's interest for future cooperation in the health sector.

The EU's cooperation with Azerbaijan is underpinned by the priorities of the Commission and those of the post-2020 Eastern Partnership (EaP) policy as presented in the **March 2020 Joint Communication**<sup>5</sup> and **July 2021 Joint Staff Working Document**<sup>6</sup>. This is also in line with the **Economic and Investment Plan (EIP)**<sup>7</sup> for the EaP which supports the investment pillar presented in the Joint Staff Working Document of 2021. The EIP seeks to transform the EaP economies to make them more resilient and integrated in the context of the post-COVID-19 socio-economic recovery. In addition, where relevant, this action will contribute to the implementation of the country specific Flagships of the EIP.

Azerbaijan is an **upper middle income country** with positive growth prospects, but with persisting significant **governance challenges** related to safeguarding checks and balances in the political system, strengthening democracy and the rule of law, ensuring respect for human rights and fundamental freedoms, as well as enabling an environment for civil society to operate in.

The country has one of the fastest growing economies globally due to the **abundance of natural resources**. However, the economic outlook of Azerbaijan significantly changed in 2020 following the **impact of the COVID-19, fluctuations in global oil prices** as well as the cost of **reconstruction** following ceasefire and cessation of hostilities in 2020.

The country needs **reforms** to boost **private sector investment**, especially in the non-oil sector, **reduce the state footprint**, tackle issues of **competitiveness**, and **develop human capital**. Furthermore, while the whole population has benefitted from the economic growth, wealth has not been distributed in equal terms. Important **disparities remain**, notably between the country's urban centres and its rural areas.

Azerbaijan is situated at the important crossroads connecting Europe and Asia. It plays an essential role in the **diversification of the supply of energy resources** and as a **transport hub**. The country's regional and geopolitical context is, however, complex. In this regard, **promoting sustainable livelihoods** and broader regional and **socio-economic development** is key to ensuring **tangible "benefits of peace"** for the broader society and to supporting a **comprehensive conflict transformation**.

The two proposed components covered by this Action (regional and rural development & health) respond to the challenges that emerged in 2020: the COVID-19 pandemic and its socio-economic fall-out and the impact of the escalated hostilities. Both are directly linked to the policy objectives outlined in the **Joint Communication** on the future of the EaP and are coherent with the new **National Priorities of Azerbaijan**<sup>8</sup>. They are to be covered under the future **MIP 2021-2027** and its five priority areas: (i) resilient, sustainable and integrated economies; (ii) accountable institutions, the rule of law and security; (iii) environmental and climate resilience; (iv) resilient digital transformation; (v) resilient, gender-equal, fair and inclusive societies. They are also aligned with the key global policy goals set by the **UN 2030 Sustainable Development Goals** and the **Paris Agreement on Climate Change**, as well as with the principles of the **EU Green Deal** and the **European approach to digital transformation**. Where appropriate, the Action will take into account the needs in the conflict-affected regions complementing the humanitarian and early-recovery efforts in line with the **humanitarian-development-peace nexus**.

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<sup>4</sup> <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AL%3A2018%3A265%3A0018%3A0022%3AEN%3APDF>.

<sup>5</sup> JOIN(2020) 7 final.

<sup>6</sup> SWD(2021) 186 final.

<sup>7</sup> Annex 1 SWD(2021) 186 final.

<sup>8</sup> <https://en.president.az/articles/50474>.

## (i) Regional and Rural Development

Component 1 of this Action will focus on three target areas of **Barda, Tartar and Aghdam**, where restrictions of access to some of the areas/lands due their proximity to the former line of contact and hosting internally displaced persons (IDPs) led to **increased population density** which, in turn, exacerbated existing problems such as **degradation of land** in certain zones and **smaller plots of production**. Some regions remain heavily mined, which further impedes regional development. The target areas qualify, within the Government's regional development plan, as less developed regions to be considered as a matter of priority.

The economic development of these regions relies at the same time heavily on agriculture with the sector accounting for > 60% of GDP compared to the national average of 6.5%. Micro and small businesses dominate in both primary production and processing. A lack of organization among small producers creates barriers to access logistical resources and thus markets as well as to agricultural services. Use of good agricultural practices and **water saving irrigation** technology are not widely applied, notably to the fruit and vegetable sector. Compared to other regions of the country, the three districts have **not been attractive to the investors**, mainly due to their remote location and high risk as they are close to the former line of contact. As a result, there are no large processing and production facilities in these areas, except for Barda (mainly cotton production). Most socio-economic indicators are well below the national average and specifically the nominal income of employees reaches only 54% of Azerbaijan's median.

The impact of the COVID-19 pandemic and the escalation of the hostilities led to a further deterioration of the socio-economic situation accompanied by a decreased income level of the rural population and disruptions within the agri-food value chains in the region, emphasizing the need for **more robust and sustainable food systems** with better resilience against external shocks embedded in an **enhanced rural development framework** and including the **strengthening of local communities**. As soon as conditions allow and where relevant under the component 1, the EU is ready to support recovery in Azerbaijan including support for demining and socio-economic development of conflict-affected regions with the aim to contribute to the broader peacebuilding and reconciliation work.

## (ii) Health

The organisation and financing of the **national health care system** –is based on national-health-service-type system with **centralised planning of resources and personnel**, primarily public ownership of health care facilities, input-based allocation of funds and no clear provider-purchaser split.

The current Law “On public health protection” was adopted in 1997, a new draft law is under preparation and is expected to be adopted by the Parliament in autumn 2021 along with a new Law “On protection of the rights of patients and doctors”.

**A Health sector reform is underway** and, from 2020, a **compulsory health insurance scheme has been expanded at the national scale**. All aspects of the insurance benefit package to be covered by the new system – including service delivery, quality of care, accreditation of health facilities, health information management systems, financing and purchasing, as well as leadership and governance – are currently being revised.

Starting from April 1, 2021, mandatory health insurance covers the entire population of the country, spanning to all the territory after one year of delay due to the COVID-19 pandemic. The benefits package includes primary care, emergency care, specialized outpatient care, laboratory services, physiotherapy, invasive radiology and inpatient care.

The state budget allocated 90 AZN annual mandatory health insurance contribution for each citizen of the country. According to the Law of the Republic of Azerbaijan “On Medical Insurance” from 1 January 2021, on top of the state budget allocations, employers and employees, as well individuals performing work (services) on the basis of civil contracts and individuals performing business activities started contributing to the national mandatory health insurance scheme.

However, in addition to improving effective coverage and financial protection of the population, other reforms are needed, such as a **reform in the organisation structure and functioning of the health delivery network**. The **strengthening of Primary Health Care (PHC)** is considered a **key reform** particularly given the high burden of illness from non-communicable diseases (NCDs) that are more effectively and efficiently detected and controlled in a PHC setting, preventing exacerbation of the diseases and hospitalization. Currently, the **system remains heavily biased towards hospital care**, leaving PHC underfunded and underdeveloped. PHC facilities are not the first point of contact with the health sector - rather it is often hospital care – and thus **PHC services remain underutilized**.

**A new and optimised structure of health care services and providers with specific reforms related to PHC is being introduced:** former PHC facilities are abolished and Family Health Centres are being established across the country. The State Agency for Mandatory Health Insurance (SAMHI) has set a goal of prioritization, strengthening and optimization of PHC amid an overall reform of health financing. At the same time, **there is now an opportunity to guide reforms of the health sector through support to new strategic approaches in organization and management of PHC**, with a focus on **priority maternal and child health services** and interventions and testing these interventions in the most affected areas, where they can be built as a model for further scale-up to the rest of the country.

In addition, Azerbaijan is embarking on an ambitious digitalization of its health care system and work is underway to create an information and communication technology (ICT) infrastructure, equip health providers with computers and provide access to the internet. A mandatory health insurance database and corresponding software are being created. Staff of the reception and registration departments is being trained in using the software to ensure data-based management of health care organizations. The software allows the online registration of citizens admitted to hospitals, storing information about the clinical wards where a patient received care, details on the health care team, prescribed examinations and treatment received (outpatient and inpatient). Digitalized health care will also facilitate citizens' access to information on diagnoses and laboratory test results.

### **Fundamental values**

Azerbaijan formally takes part in several international and regional human rights instruments; however, often their implementation is not properly ensured.

- Azerbaijan continues to only selectively accept or completely ignore rulings of the **European Court of Human Rights (ECHR)**. More than 80% of the ECHR rulings have not yet or have only partially been implemented. Azerbaijan has not yet signed the Council of Europe Istanbul Convention on preventing and combating violence against women and domestic violence. Azerbaijan has not joined the Rome Statute either.
- In 1998, the Parliament adopted a law abolishing the **death penalty** in the country; however, the Constitution has never been changed accordingly.
- On 3 April 2019 a Presidential Decree on deepening of **reforms in the judicial-legal system** has been adopted. This Decree intends to increase independence, efficiency and transparency of the judicial system. Draft laws were developed regarding e-courts, an e-enforcement system and the audio-recording of court hearings.
- The Parliamentary Assembly of the Council of Europe (PACE) in its Resolution 2322 (2020) stated that "**detainees are at risk** of inadequate conditions and serious ill-treatment in Azerbaijani police stations, pre-trial detention centres and prisons".

### **Relevance and credibility of this action in light of the policies or strategies of the EU and of the beneficiary.**

**Component 1 – Sustainable regional and rural development for improved resilience and livelihoods in less developed regions of Azerbaijan**

The activities proposed under the Action are directly aimed at supporting the strategic objectives of the Government of Azerbaijan for **regional and rural development and strengthening the resilience of the agricultural system** specifically prioritised in the Strategic Roadmap Document for Agricultural Production and Processing in Azerbaijan<sup>9</sup>. Ultimately, the Action's outputs will contribute to the long-term vision of significantly **increasing the share of agricultural production in the non-oil sector and to the modernisation and enhancement of the competitiveness of the agricultural sector by 2025**, as outlined in the Strategic Roadmap document.

The intervention also supports the Government of Azerbaijan's efforts in implementing the Sustainable Development Goals which reinforces the **need to address the problems of rural communities in an integrated way**. Consequently, local rural development and community development should be addressed within the overall agriculture and rural development policy including national rural development programmes - for which the project may present a pilot case for further upscaling.

The activities are further adjusted to match the specific needs of the targeted areas **in alignment with the Government's plans for the development of agricultural activities in the selected districts**, specified in the State Programme on Socio-Economic Development of the Regions of the Republic of Azerbaijan for 2019-2023<sup>10</sup>. For the Aghdam and Tartar districts these include the improvement of production and processing of priority agricultural products (fruits and vegetables, grains, cotton, animal husbandry and livestock farming), strengthening the material and technical base of the infrastructure that supports the agricultural production in the area as well as the improvement of water supply and the reclamation of lands. The provisions in the Strategic Roadmap for the development of agricultural activities in Barda match its current status of a more developed regional hub that serves as an important link in the value chain of the agricultural commodities produced in Aghdam and Tartar, as a regional storage and processing centre, a marketplace and connection to Baku and foreign markets. It is therefore important to strengthen the necessary infrastructure, modern laboratories, agro-parks, storage facilities, factories and processing plants for key products including cotton and grains. In addition to the agricultural sector, the development of these districts is actively supported by the Government of Azerbaijan through the ongoing improvement of the infrastructure of the road transport, communal services, energy supply and telecommunications. The Government further works on strengthening social protection services and expanding self-employment programs, as stated in the State Programme.

The Action **takes into account the relevant priorities outlined in the "Azerbaijan 2030: National Priorities for socio-economic development"**<sup>11</sup> document approved by the Azerbaijani Presidential Decree of February 2021 that will inform and guide the socio-economic development and related activities in the country for the next 10 years. The Action envisions an active cooperation between the Ministry of Agriculture, Ministry of Economy and local executive authorities in the targeted districts as the key government agencies mandated to prepare short, mid and long-term development plans for rural areas starting from 2021, in accordance with the Presidential Decree on the amendment of the "Regulation on local executive authorities", dated 29 October 2020<sup>12</sup>.

As soon as conditions allow and where relevant under component 1, the EU is ready to support recovery in Azerbaijan including support for demining and socio-economic development of conflict-affected regions with the aim to contribute to the broader peacebuilding and reconciliation work.

## **Component 2 – Building Health System Resilience in Azerbaijan**

The Government of Azerbaijan is committed to the **SDGs and universal health coverage**. The Development Concept "Azerbaijan–2020: The Vision of the Future"<sup>13</sup> prioritises the **provision of high quality health**

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<sup>9</sup> [8047fecde10eaf0fd8cb45de716d8267.pdf \(monitoring.az\)](https://minenergy.gov.az/en/dovlet-proqramlari/azerbaycan-respublikasi-regionlarinin-2019-2023-cu-illerde-sosial-iqtisadi-inkisafi-dovlet-proqrami).

<sup>10</sup> <https://minenergy.gov.az/en/dovlet-proqramlari/azerbaycan-respublikasi-regionlarinin-2019-2023-cu-illerde-sosial-iqtisadi-inkisafi-dovlet-proqrami>

<sup>11</sup> <https://en.president.az/articles/50474>.

<sup>12</sup> <https://president.az/articles/44896>.

<sup>13</sup> [future\\_en.pdf \(president.az\)](https://president.az/future_en.pdf)



**services to the population and the availability of these services to various social groups, including low income families and poor citizens as a strategic line.**

The concept for **Health Financing Reform and Introduction of Mandatory Health Insurance** was approved by the Decree of the President on 10 January 2008. However, its actual **implementation started in 2016**. The Concept identified the following main goals for health financing reform in the country:

- to create new economic principles for financing the health care system and improving the population's access to health care;
- to increase the quality of health care services through the more efficient use of public funds allocated to the health sector; and
- to improve population health and increase average life expectancy.

As a result of reforms in the health system, inpatient oriented health care shall be replaced with primary health care and relevant conditions shall be created for expanding the practice of family doctors. At the same time, active and purposeful work shall be carried out to improve outpatient and clinical services.

One of the targets under Azerbaijan 2030: National Priorities for Socio-Economic Development<sup>14</sup>, approved on 2 February 2021, is to **ensure the longevity and healthy lifestyles of citizens**. An increase in life expectancy should be achieved through quality health care and healthy lifestyles.

The Government of Azerbaijan clearly declared at the highest level its interest in strengthening the health system and moving away from a hospital-based system to improved, resilient and comprehensive PHC.

Azerbaijan recognises **investment in human capital from the earliest age as a fundamental part of development, as indicated by the inclusion of social protection and early childhood development among the country's accelerators for sustainable economic growth**. The country programme envisages that, by 2025, girls and boys from conception to basic education age, especially the most vulnerable, will benefit from equitable access to high-impact interventions in health, nutrition, early childhood development, inclusive and quality preschool and basic education and integrated protection from all forms of neglect, exploitation and violence. The country programme will support **strengthening of the primary health-care system to improve antenatal and postnatal care and young child health care. Prioritising maternal and child health within the new national mandatory health insurance system** will remain a focus of advocacy as the health insurance programme is scaled up.

While there are no available data on child suicide, in 2020 the Government invited contributions from national and international organizations to a new national suicide prevention strategy, **acknowledging that mental health issues are of growing concern** and that a multi-partner approach to identifying causes and prevention of self-harm, including among adolescents, is urgently required.

### **Complementarity with EU and other donors/partners**

For the purpose of ensuring complementarity, synergy and coordination, the Commission may sign or enter into joint donor coordination declarations or statements and may participate in donor coordination structures, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union.

### **Component 1 – Sustainable regional and rural development for improved resilience and livelihoods in less developed regions of Azerbaijan**

Under the EU funded “Strengthening Advisory Services” project there are opportunities for cross benefits to the intended target populations in less developed areas, who would benefit from the model built for the provision of Advisory Services and increased capacities of service providers.

The EU-funded Local Food Promotion project is also relevant in transferring the experience in developing local value chains. In addition, the capacity development activities, informational and knowledge sharing

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<sup>14</sup> <https://en.president.az/articles/50474>.

products developed under various projects that the Food and Agriculture Organisation (FAO) is conducting or has recently completed will enable further support for the target communities, such as interventions directed to improve women's economic empowerment, increasing youth employment in agriculture, cattle breeding and feeding, development of seed sector and strengthening phytosanitary services. The FAO has also implemented a community development programme under its Land Consolidation project.

During the formulation of the project activities synergies with other ongoing EU projects in the country will be sought in the areas of rural infrastructure development, value chain strengthening, supporting local producers and green transformation. This will be the case specifically e.g. for the projects under EU4Climate and EU4Environment, which are both focused on green growth and climate-smart solutions, as well as for the projects promoting community-based businesses and strengthening of cooperation among smallholder farms, Micro, Small and Medium Enterprises (MSMEs) and cooperatives as means of a rural regeneration strategy. The "Assistance to farmers to develop the sustainable value chains on soft fruit and vegetable production in the rural regions of Azerbaijan" project will also be considered for establishing synergies; it includes important elements relevant to the proposed Action, including the development of commercially viable value-chains in the fruits and vegetables sectors, providing support to seed producers, improving the irrigation system, supporting vulnerable women and small-scale farmers. The Action will moreover complement the EU humanitarian and early recovery projects addressing the needs of the most vulnerable conflict-affected persons in the sector of basic needs and livelihoods. Therefore, it is important to pay attention to the needs of the most vulnerable conflict-affected individuals while choosing the grant beneficiaries.

The project under this component will seek synergies with the EU's Economic and Investment Plan Flagship 4: Innovative rural development by contributing to the assessment of rural credit needs and available schemes and support development and implementation of an appropriate credit response for local farmers, producers and associations with a focus on food safety standards, sustainable irrigation practices and other green growth investments. This allows complementarity with the grant scheme offered under this project. Additionally, the project will assess the current climate change related adaptive capacities and needs of smallholder farmers, as well as the agricultural practices currently applied to seek the opportunities for implementing various innovative and sustainable practices, including organic and climate-smart agriculture. As such, it will pursue the innovation across the whole targeted supply chain and interlink existing innovation-related activities.

## **Component 2 – Building Health System Resilience in Azerbaijan**

The Action will complement the EU's ongoing regional Solidarity for Health Initiative which aims to address the short-term emergency needs, as well as the longer-term structural impacts with a special focus on the most vulnerable countries with weak health systems. The Solidarity for Health initiative supports the partner countries in their fight against COVID-19 and helps them to better address the needs of the most vulnerable people.

The Action will complement the EU's regional COVID-19 vaccination preparedness and deployment project, which aims to provide "end-to-end" support of COVID-19 vaccine deployment and vaccination and also serves as a major investment in strengthening the routine immunization system. This Action will build on the existing structures, deliverables and mechanisms established through these two major regional EU initiatives in Azerbaijan.

The Action will also complement the ongoing regional EU Initiative on Health Security implemented by the European Centre for Disease Prevention and Control (ECDC), which supports the setup of a regional competent workforce for the prevention and control of challenges posed by communicable diseases and aims to enhance regional cooperation to tackle cross-border health security threats.

This Action will also build on the PROACT-Care project implemented by the WHO in Azerbaijan and funded by United States Agency for International Development (USAID), which aims to prevent excess mortality in the Shamakhi district by improving the Infection Prevention and Control (IPC) system in PHC facilities and

increasing the capacity to maintain essential health services through innovative outreach services and training of PHC health care providers.

This Action will also complement the “Bridge 5 to Health” project implemented by the WHO in Azerbaijan, which addresses the needs to strengthen health service capacities and supports the health service delivery. The situation shall be stabilised, among others, through medical mobile teams working in 50 locations, supporting mental health and psychosocial support capacities and providing training on hygiene/waste management/sanitation.

The Action will complement the United Nation Children’s Fund (UNICEF) initiative on the development of an integrated social services model. It demonstrates how a coordinated system of identification of children at risk, referrals to specialist services and improved case management can enable agencies to reach more vulnerable children with a customized package of care. It will also build on UNICEF’s work to improve maternal, infant and young child health care and nutrition, ensuring every child has the best possible start in life and will strengthen national child protection systems, particularly in the areas of integrated social services, access to health and mental care.

On mental health, the proposed Action will be built on experience of UNICEF’s Basic Life Skill Education programme and the recent UNICEF-supported Mental Health and Psychosocial Support (MHPSS) for children affected by the conflict emergency in four districts as well as the United Kingdom supported school-based psychosocial support programme. More interventions will be developed to support strengthening the role of the health sector in MHPSS, particularly for children, adolescents, and young people. Besides, the Action will be implemented in complementarity with EU humanitarian assistance enhancing access to Mental Health implemented by WHO.

The Programme will also ensure complementarity and synergies with relevant EU regional actions (i.e. EU4Business, EU4Youth, EU4Digital, EU4Energy, EU4Environment, EU4Climate, EY4Dialogue, EU4Peace and Partnership for Good Governance with the Council of Europe), as well as EU programmes such as Erasmus+ and Horizon 2020.

From the bilateral NDICI allocation to Azerbaijan in 2021, a total amount of EUR 1.5 million will be channelled to the regional Civil Society Facility for Resilient and Inclusive Societies.

#### EU added value

### **Component 1 – Sustainable regional and rural development for improved resilience and livelihoods in less developed regions of Azerbaijan**

The main result is to complement existing regional development actions by covering the three regions (Barda, Tartar and Aghdam) which fall under the category of less developed regions in the Government’s National Regional Development Strategy<sup>15</sup> and remained uncovered by support from international donors due to their proximity to the former Line of Contact.

A methodological guidebook on how to develop state, regional and local development strategies based on the EU best practices was developed and disseminated by the EU Project on Support to Rural and Regional Development implemented in 2017-2021 under which 16 district development plans and around 170 public and private investment plans were appraised through the application of a participatory and territorial development approach. The EU value added was to pilot, for the first time, a bottom-up multi-stakeholder participatory and territorial development approach in regional development extending to 45 districts in Azerbaijan. The scope of this programme will now be expanded to the three focus regions (Barda, Tartar and Aghdam) which are heavily dependent on agriculture.

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<sup>15</sup> <http://www.e-qanun.az/framework/41320>.

Under this component, the Action will aim at improving the legal and institutional framework (public policy) for the development of participatory rural development strategies and competitive value chains that shape the Farm to Fork food systems. The activities to be carried out under this result are in line with the EU's Farm to Fork Strategy<sup>16</sup> as they aim to create political and institutional conditions to promote sustainable agri-food value chains in selected districts. The Action incorporates key aspects of the Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system as a means of establishing resilient value chains for sustainable food production and processing and supporting rural development in the targeted areas.

## Component 2 – Building Health System Resilience in Azerbaijan

The EU Member States have longstanding experience in the management of health systems as the primary responsibility for health protection and health care systems lie at the national level. However, the EU has an important role to play in improving public health, preventing and managing diseases, mitigating sources of danger to human health, and supporting health resilience in the partner countries. This expertise and knowledge is relevant to the Action with a view to presenting PHC, Maternal and Child Health (MCH), adolescent mental health models and mechanisms best practices and networking, which can be applied not only in the EU but also nationally.

The Action is also aligned with the EU's overall commitment to global health. Over the years, the EU has been a global health sponsor and leader, promoting the implementation of a human rights-based approach to health and Universal Health Coverage (UHC).

### 2.2. Problem Analysis

Priority Area: **Regional and Rural Development**

#### Short problem analysis:

A **preliminary assessment** was carried out by the United Nations Country Team (UNCT) in, amongst other, districts of Barda and Aghdam. It identified the following problems in the target districts:

- **Poor business environment and weak market structures:** marketing channels are scattered and simple, resulting in a domination of the informal sector due to the remote location and a level of risk for investments;
- **Lack of capacities/skills** leading to inefficient land use, low productivity and non-competitive products;
- **Insufficient infrastructure**, including poor irrigation water supply and a lack of cold storage facilities, that force farmers to sell the harvest directly from the field at a lower price;
- **Poor community infrastructure**, such as the irrigation and drainage system, and low levels of community mobilisation leading to the challenges in social welfare;
- **Fragmented and weakly organised smallholder farmers** - very low level of cooperation, limiting access to the available services;
- **Weak access to affordable financial resources and low investment levels;** high level of interest rates due to risks;
- **Outdated farming practices, high land fragmentation** (small, parcelled land plots) and **inadequate irrigation systems** and limited access to the innovations result in a low quality and consistency of agricultural production.

The **reinvigoration of the agricultural activities** through procurement of agricultural equipment, seeds, animals, food for animals, greenhouses and support to community projects aimed at addressing local needs and creating indigenous solutions **that increase participation and cohesion have been recommended as priority issues to be addressed.**

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<sup>16</sup> [f2f\\_action-plan\\_2020\\_strategy-info\\_en.pdf \(europa.eu\)](#).

The **development of the fruit and vegetable growing sectors** has a large potential to create additional value and employment through enhanced farm to fork value chains, as well as being suitable with favourable climate/soil conditions of the region. **An improved business environment and well-functioning value-chains** supported with the interventions related to the capacity development will lead to **increased competitiveness, job-creation and additional income generation** for the small-holder farmers involved in the mentioned sectors.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The Action is going to be implemented in close coordination with the **Ministry of Agriculture (MoA) as implementing agency** and with the Ministry of Economy (MoE), Ministry of Labour and Social Protection (MLSP), Agency for support to small and medium enterprises (KOBIA), local executive authorities and other respective agencies.

The **MoA** is considered to be the main counterpart as the Action aims to support the agricultural development in coordination with the general strategic plan and programming that is carried out by the Ministry.

The **MoE** mandated with policy planning and economic planning in the country is, together with the MoA and local executive authorities, responsible for preparation of short, mid and long-term development plans for rural areas, contributing to revision and development of policies and incentive mechanisms.

The **MLSP** will be consulted throughout the course of the Action for establishing and strengthening of mechanisms for social inclusion and promotion of decent work conditions for women, youth and vulnerable members of the society in the targeted districts and harmonization of the proposed solutions with the labour code and relevant legislation.

**KOBIA**, established in accordance with the Presidential Decree dated 28 December 2017 under the MoE and responsible for assisting SMEs with accessing available support mechanisms and ensuring coordination and regulation of services rendered by government entities, will be consulted for the development and implementation of the grant scheme and facilitation of cooperation and coordination among Micro, Small and Medium Enterprises (MSMEs) and other stakeholders along the value chain.

Priority Area: **Health**

Short problem analysis:

The health system in Azerbaijan is usually characterized by a **high reliance on inpatient care and a high number of doctors**, as well as **top-down historical budgeting based on inputs** (e.g. number of hospital beds) **instead of output or outcome-based financing** to more strongly incentivize production of health with available resources. This led to a **low utilisation of available resources that at the same time incur high maintenance and staffing costs**.

The Development Concept “Azerbaijan–2020: The Vision of the Future”<sup>17</sup> prioritizes the provision of high quality health services to the population and the availability of these services to various social groups, including low income families and poor citizens as a strategic line.

The Strategy “Azerbaijan 2030: National Priorities for Socio-Economic Development” approved on 2 February 2021 defines priorities of the country's socio-economic development. One of the targets is to ensure the longevity and healthy lifestyles of citizens. An increase in life expectancy should be achieved through quality health care and healthy lifestyles.

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<sup>17</sup> [future\\_en.pdf \(president.az\)](#).

The main reasons behind the health sector reform are:

- Population's needs in health care are not properly covered. Azerbaijan is lagging behind most of the European countries with regards to the provision of hospital services and is below European average with regards to outpatient visits.
- Low productivity of human and physical resources allocated for health and a lack of financial incentives to increase efficiency of the health sector.
- Too high financial barriers for access to health care. Azerbaijan is characterized by a very large share of out-of-pocket payments, which significantly affect the population's access to care and expose poor households to the risk of catastrophic health care costs.
- Health sector is underfunded. Public financing currently is too small to cover all health care costs. Lack of financing is a cause of low quality of public services.

The state national programmes are focused mostly on treatment, while prevention is a crucial part of the intervention protocol of these conditions, particularly in the case of NCDs, maternal, child and adolescent health, which do not receive sufficient funding. With the countrywide introduction of the mandatory health insurance family doctors – which currently do not exist in the country - shall play important role.

Furthermore, two key aspects identified as the **leading causes of suboptimal service delivery** configuration in the country were (i) **low access to health care**, especially for people who need health services the most, such as low-income, rural and various other vulnerable populations and (ii) **weaknesses of PHC** that translate into a lack of gatekeeping and patient pathway management, provision of care at inappropriate (too high) levels of care and late treatment of diseases that could be preventable or easily treatable if diagnosed at the onset.

An **extensive health financing reform package was launched in the country in 2017**, which included the creation of a national mandatory health insurance fund, gradual introduction of mandatory health insurance, selective and performance-based contracting for health care service providers, output-oriented payment mechanisms, revision and modernization of the service basket provided in the country. This reform was also seen as a **tool to optimize the health care service provider network starting with inpatient care, to improve the need-based appropriateness of care provided in hospitals and to improve the quality of care**. Based on positive results achieved in pilot regions the Government of Azerbaijan decided to apply the mandatory health insurance scheme countrywide from 2021.

In 2020, the COVID-19 pandemic and the escalation of the hostilities led the health system, already under stress due to the ongoing reforms, under serious strain. The **pandemic has highlighted the challenges of the current health system and significant gaps at PHC level** when epidemic prevention largely depends on local communities and individual health behaviours.

Component 2 of the Action will support the Government in **strengthening the health system** and in moving away from a hospital-based system **towards an improved, resilient and comprehensive PHC system** providing high quality health services to the population and making these services available to various social groups, including low income families and poor citizens.

Through the improvement of the PHC system, the country will be more resilient and better equipped to cope with future health and epidemic crises and to **provide accessible and high quality health services** to children, adolescents, women and the overall population, **eventually contributing to human capital and economic development of the country**.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The main stakeholders of this action are the Azerbaijani government's implementing and regulatory authorities in the health sector, including the **Ministry of Health (MoH)**, the **State Agency for Mandatory**

**Health Insurance (SAMHI), the Management Union of the Medical Territorial Units (TABIB), their regional branches and the citizens as final beneficiaries, as well the Ministry of Labour and Social Protection of Population, the Ministry of Education and civil society.**

Activities will be implemented in close cooperation with national and local authorities thus ensuring a complete alignment with national priorities and a strong ownership of the Action by health authorities and practitioners. The ownership of the Action by authorities and their commitment to implement the recommendations issued in the context of the Action are essential pre-conditions of its success.

There are a number of institutions and agencies which play a key role in the elaboration and implementation of related policies. The Action will contribute to a better institutional cooperation and coordination within the sector covered. The MoH formally is ultimately responsible for the management of the health system but it has limited means to influence health care providers at the local level as they are financially dependent on the local district's health authorities or the village authorities for smaller rural services. TABIB is a new public body established in December 2018, responsible for management of health care providers.

### **3. DESCRIPTION OF THE ACTION**

#### **3.1. Objectives and Expected Outputs**

The **Overall Objective (Impact)** of this action is to support Azerbaijan towards socio-economic recovery and resilience, with a particular focus on inclusive and sustainable growth in rural areas and on building a more resilient health system.

The **Specific Objectives (Outcomes)** of this action are to:

1. Increase the competitiveness and support the development of selected value chains ensuring social and environmental sustainability of all stages of the Farm to Fork (F2F) value chains (*related to Component 1*);
2. Improve the community infrastructure of rural areas for promoting employment generation and social inclusion of youth, women and other vulnerable populations (*related to Component 1*);
3. Strengthen the health system policy and governance by establishing a framework for a resilient PHC system (*related to Component 2*);
4. Enhance maternal, child and adolescent health services (*related to Component 2*);
5. Improve skills and competencies of the PHC health workforce (*related to Component 2*);
6. Strengthen PHC capacities to address basic mental health problems of and provide psychosocial support to adolescent boys and girls (*related to Component 2*).

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

##### *Contributing to Outcome 1 (or Specific Objective 1):*

- 1.1 To create efficient institutional mechanisms and capacities for the formulation of policies and to support a sustainable, inclusive, market-oriented rural development, enabling the green transformation;
- 1.2 To increase competitiveness of the selected value chains from Farm to Fork through improved capacities, developed forms of cooperation and increased participation in community networks, better access to inputs and adopted innovative practices for climate resilient, social and environmental sustainability of agricultural production.

##### *Contributing to Outcome 2 (or Specific Objective 2):*

- 2.1 To improve community infrastructure for increased social inclusion, with a focus on the promotion of decent work for women and youth.

*Contributing to Outcome 3 (or Specific Objective 3):*

- 3.1 To design and implement a policy document and a Roadmap for resilient PHC and to update the regulatory framework including PHC related guidelines and protocols;
- 3.2 To develop PHC health workforce recruitment and retention models and interventions;
- 3.3 To assess and upgrade health management information systems;
- 3.4 To develop PHC quality models and practices and to roll them out in selected geographic areas.

*Contributing to Outcome 4 (or Specific Objective 4):*

- 4.1 To develop and implement a new State Programme on Maternal and Child Health;
- 4.2 To modify the maternal, child and adolescent service provision model;
- 4.3 To improve child-centred PHC service delivery in selected vulnerable districts.

*Contributing to Outcome 5 (or Specific Objective 5):*

- 5.1 To update and adopt curricula of pre-service and in-service medical education institutions' educational and continuous professional development programmes including relevant PHC/MCH elements;
- 5.2 To develop a continuous professional development system for PHC/MCH health care workers and to make it functional;
- 5.3 To train PHC health workforce (doctors and nurses) on relevant upgraded PHC/MCH content.

*Contributing to Outcome 6 (or Specific Objective 6):*

- 6.1. To develop an Adolescent Mental Health Care intervention framework and service models;
- 6.2 To build capacity of PHC workers, school teachers and psychologists on providing basic mental health care services for adolescents in the selected districts;
- 6.3 To pilot Integrated Mental Health and Psychosocial Support (MHPSS) services for adolescents in the selected districts.

### **3.2. Indicative Activities**

#### Activities related to Output 1.1

- Assessment/review of the existing policy frameworks, including incentive mechanisms for the development of proposals for improvements;
- Capacity needs assessments at institutional level related to regional and rural development, supporting agricultural and food production;
- Preparation of a roadmap and capacity development programmes as a result of the assessments;
- Implementation of the identified institutional capacity development programmes.

#### Activities related to Output 1.2:

- Value-chain analysis, investment needs and opportunities assessment and stakeholder analysis to identify: i. target actions to support the development of the selected value chains (possibly focusing on fruit and vegetable production as a major source of employment and additional value creation); ii-target beneficiaries of the selected actions;
- Development of marketing and upgrading strategies for target value chains;
- Promotion of forms of cooperation between producers (e.g. a cooperative, farmers'/producers association, farmer field schools etc.);
- Increasing linkages between producers and other value chain actors, including consumers, establishing participatory and strengthened Farm to Fork ties, promoting healthier diets and lower environmental impact through increased local sourcing;
- Implementing innovative Good Agriculture and Environmental Practices (GAEPs) through the Farmer Field School (FFS) approach (crop diversification, reduced use of pesticides, etc.)
- Promote the increase of food safety capacities (including resilience to climate change) and best practices along the selected value chain as an important element of the EU Farm to Fork Strategy;
- Increase access to finance through the identification of a grant scheme for smallholder farmers, SMEs and other relevant rural actors; such a grant scheme would be complemented by promotion and



awareness raising on the effective utilization of the identified grants and additional trainings on business development and other specific needs.

- Conduct assessment of the current credit needs and available credit schemes in the region to help develop and implement proposals for appropriate credit response for local farmers/producers/associations with a focus on food safety standards, sustainable irrigation practices and other green growth investments. Potential linkages and synergies with the Flagship 4 of the EIP will be explored.

#### Activities related to Output 2.1:

- Bringing together members of selected communities for a participatory process of developing community development plans and exploring opportunities to resolve critical issues that the communities are facing through community mobilisation, further resource mobilisation or catalysing effects of the project grants (the initiatives are expected to include small-scale investment in rural infrastructure based on collective needs and developing concrete mechanisms for supporting local women farmers' ability to participate in the agri-food value chains)
  - Improvement of rural infrastructure through the implementation of the grant scheme;
- Development of capacities and provision of complementary tools for integrating local women farmers and members of other vulnerable groups within the selected value chains from farm to fork into production, processing and/or marketing levels and for ensuring decent work opportunities

#### Activities related to Output 3.1:

- Conducting diagnostic assessments of the health sector with a special focus on governance and financing;
- Preparing a Policy Paper and Roadmap including modalities regarding PHC service organization and delivery models, essential infrastructure, diagnostic devices, medical equipment and drugs for PHC facilities, financing and human resources for the health (HRH) system;
- Reviewing and developing recommendations on amendments to PHC-related regulatory frameworks, guidelines and protocols.

#### Activities related to Output 3.2:

- Conducting a national health workforce assessment and developing strategy aligned with the PHC service delivery;
- Reviewing job roles and definitions for PHC health care workers and defining PHC competencies;
- Designing a new recruitment and retention model for PHC health workers;
- Designing financial and nonfinancial incentives for recruitment and retention of doctors and nurses in PHC.

#### Activities related to Output 3.3:

- Conducting a comprehensive assessment of the health information system;
- Assessment of current data collections on key PHC/MCH indicators (indicators collected, primary source of data, mode of data collection and reporting, demand for data and analysis) with engagement of international consultancy/expertise;
- Preparing a revised vision for health management information systems, including the development of digital tools for case management and real-time monitoring of maternal, child and adolescent health-related indicators;
- Preparing a health management information system model for PHC/MCH to integrate data collection, disease management and monitoring and performance assessment.

#### Activities related to Output 3.4:

- Developing a quality assurance model for PHC/MCH;
- Designing a Performance Assessment Framework with Key Performance Indicators for PHC/MCH;
- Piloting the quality assurance model in the selected districts for PHC/MCH service providers.

Activities related to Output 4.1:

- Drafting a State Programme on the improvement of maternal and child health, giving priority to strengthening PHC services.

Activities related to Output 4.2:

- Reviewing essential PHC/MCH service models, guidelines, protocols, job aids and standards of procedures;
- Development of a PHC/MCH core services package, including delivery models, required staffing and supply components (with the engagement of international consultancy/expertise);
- Revision of the benefit package of compulsory health insurance with a focus on essential MCH services and the provision of relevant recommendations and technical support for their adoption, including recommendations on their financing.

Activities related to Output 4.3:

- Assessment of the service provision to mothers and children in six selected districts;
- Assessment of PHC facilities in the selected districts;
- Trainings and continuous supervision and mentoring for capacity-building of PHC/MCH workers (doctors and nurses) in the selected districts;
- Providing essential supplies and equipment for PHC/MCH services;
- Promoting health education and behavioural change.

Activities related to Output 5.1:

- Updating existing curricula of medical education institutions (Medical University and medical colleges) for doctors and nurses to include PHC/MCH and mental health care elements;
- Developing new training modules covering the knowledge and skills mix required for the provision of the essential PHC/MCH and mental health care services and incorporating them in in-service training packages.

Activities related to Output 5.2:

- Reviewing the current system of professional training of doctors and nurses;
- Developing a modern, continuous professional development system (CPD) jointly with the National Stakeholders for the PHC/MCH doctors and nurses.

Activities related to Output 5.3:

- Developing an online training platform for PHC/MCH doctors and nurses;
- Training the educators/trainers of the pre-service and in-service health education institutions to teach the new competencies required for PHC doctors and nurses;
- Conducting face-to-face training for PHC doctors and nurses.

Activities related to Output 6.1:

- Assessment of adolescents' current mental health status and analyse existing policies and service capacities;
- Review and update the National Mental Health Strategy focusing on adolescent mental health issues;
- Development of the intervention framework and service models;
- Adapting and developing national adolescent mental health service protocols and models.

Activities related to Output 6.2:

- Developing by training of adolescent Mental Health Psychosocial Support at institutional level;
- Development of online psychological counselling services for adolescent psychological support;

- Capacity-building for PHC workers with regard to promoting mental health and the provision of basic mental health care services for adolescents;
- Capacity-building for school health care staff, teachers and psychologists on promoting mental health and providing Basic Life Skill training for adolescents.

Activities related to Output 6.3:

- Establishment of mental health centres in the selected districts;
- Provision of adolescent MPHSS services through health facilities in the selected districts;
- School-based interventions on the prevention of emotional disorders and adolescent suicide, substance abuse and self-harm in the selected districts through both offline and online platforms;
- Promotion of adolescent mental health awareness, literacy and demand creation for mental health services and community interventions including the prevention of adolescent suicide, substance abuse and self-harm.

### 3.3. Mainstreaming

#### **Environmental Protection, Climate Change and Biodiversity**

Based on the Environment Impact Assessment (EIA) carried out during the design phase, the Action was classified as Category C (no need for further assessment). No sector policy or supporting programme is proposed and correspondingly no EIA is foreseen.

Based on the Climate Risk Assessment (CRA) carried out on 30 April 2021, it can be concluded that this Action is no or low risk. There are no activities foreseen under this Action that are potentially vulnerable to climate-related risks. No further action is hence foreseen.

The proposed Action intends to develop a consolidated approach in supporting the regional and rural development in the area, placing the support that is going to be provided to local communities in developing the value chains within a greater framework of community-based development, **participatory planning** and **climate resilience** for a sustainable and more efficient and effective management of natural resources. The community-driven and needs-based planning process will lay the ground for a comprehensive approach for larger scale infrastructure development initiatives, transforming the land use, improve water management and the preservation of natural resources within the area.

Environmental sustainability will be promoted through medical waste management by ensuring the safe disposal of medical waste avoiding air, water and soil pollution and infections. Particular attention will also be given to the issue of medical waste management in the context of this Action using existing standards and guidelines developed by WHO including the 2018 guide on the safe management of wastes from health-care activities. Climate change resilience will be strengthened, where possible, by raising awareness of medical staff on the linkages between climate change (heat waves, prolonged drought, erratic floods, etc.) and disease and premature death, especially of people living in vulnerable situations such as children and the elderly, and by showing ways in which this might be addressed.

#### **Gender Equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is a significant objective.

The Action will also take into account the EU's new **Action Plan on Gender Equality and Women's Empowerment in External Relations 2020–2025 (GAP III)**<sup>18</sup>. Reproductive, mother and child and new-

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<sup>18</sup> [join-2020-17-final\\_en.pdf \(europa.eu\)](https://join-up-2020-17-final_en.pdf).

born health remain critical as indicators and demonstrate a very high level of perinatal deaths. Typically, women also have less access to funds for paying medicines and specialist care. **Gender equality** will be reinforced through the integration of maternal health and sexual and reproductive health programmes into primary health care and through training health workers to ensure women have access to essential health services.

### **Human Rights and Democracy**

All activities included in this Action will be designed and implemented in accordance with the principles of rights-based approach, good governance, democracy and human rights, gender equality, environmental sustainability and protection, climate resilience and the inclusion of socially or economically deprived groups.

This Action **promotes non-discrimination and equal access to health services**, focusing on people living in vulnerable situations. It also intends to pay special attention to budget allocations towards greater quality and inclusivity of health services. Emphasis on good governance will be placed through capacity-building of national and sub-national health authorities. **Human rights and inclusion** will be promoted through the reinforcement of affordable, quality health services for all contributing to universal health coverage.

Deliverables will be measured against gender, equity and human rights.

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D1. This implies that disability is a significant objective. The project will focus on improving the quality of health services and ensure that people with disabilities benefit from it.

### **Conflict sensitivity, peace and resilience**

The ‘do no harm’ principle and conflict-sensitivity are embedded in the Action with a particular focus on Accountability to Affected Populations (AAP), Protection from Sexual Abuse and Exploitation (PSEA) and Community Participation. Both components of the Action will contribute to concrete “benefits of peace” for the broader society which are important to support more comprehensive conflict transformation and longer-term socio-economic development and resilience.

### **Other considerations**

The Action incorporates key aspects of the **Farm to Fork (F2F)** strategy for a **fair, healthy and environmentally-friendly food system** as a means of establishing resilient value chains for sustainable food production and processing and supporting regional and rural development in the targeted areas. The **social, environmental and health pillars** of the F2F strategy, including mitigation of climate change and adaptation to its impacts, ensuring food security, nutrition and public health, ensuring access to sufficient, safe, improved nutritious and sustainable food for everyone **are addressed through concrete activities**. These activities include reviewing and suggesting improvements in the legislative framework for competitive value chains and regional and rural development as well as promotion of environment friendly value chains through the application of Good agricultural practice (GAP)/Integrated Pest Management (IPM) and climate smart agriculture practices and development of the community infrastructure for **better social inclusion**.

Ultimately, the Action will contribute to the EU’s strategic objectives of **supporting sustainable and inclusive policies for regional and rural development, modernisation of the agricultural sector and promoting resource-efficient economies by addressing social and environmental challenges** and achieving effective utilization of natural resources.

## **3.4. Risks and Lessons Learned**

| <b>Category</b>                 | <b>Risks</b>   | <b>Likelihood<br/>(High/<br/>Medium/<br/>Low)</b> | <b>Impact<br/>(High/<br/>Medium/<br/>Low)</b> | <b>Mitigating measures</b>   |
|---------------------------------|--|---|---|--|
| External environment            | Conflicting priorities between rural development and health agendas and economic development/growth agenda   | M   | H   | Strong engagement of the different ministries in the Action and strong communication on transversal benefits of the Action   |
| Planning, processes and systems | Fragmentation of decision-making and lack of alignment between players within the health sector  | M   | H   | Continued policy dialogue with the Government demonstrating the potential benefits of the reforms.<br><br>Capacity building support.   |
| External environment            | Changing priorities in the health sectors' governance reform   | M   | H   | Advocacy and continued policy dialogue with the Government.  |
| External environment            | The Government's socio-economic priorities fluctuate as a result of the COVID-19 crisis  | M   | M   | Continuous support to Azerbaijan to respond adequately to COVID-19, including through vaccination.   |
| Planning, processes and systems | High turnover of staff in public institutions and associated memory loss   | M   | M   | Continuous policy dialogue with the government; efforts aimed at sustainable institution building rather than exclusive training measures for individuals.   |
| Planning, processes and systems | Limited capacity of the Government to effectively perform functions of policy coordination, policy analysis and impact assessments, as well as inter-ministerial coordination. | M   | H   | Policy dialogue and assistance to ensure strengthening of policy coordination function, improving inclusive and evidence-based policy and legislative development and improving monitoring and reporting on implementation of laws and policies. |

## **Lessons Learned:**

### **Component 1 – Sustainable regional and rural development for improved resilience and livelihoods in less developed regions of Azerbaijan**

One of the lessons learned from the implementation of previous EU projects in the field of rural and regional development is that the Government has demonstrated great interest and close involvement in the adoption and application of the territorial and participatory approach as the new methodology for designing effective regional development policy that was successfully introduced as EU best practice.

### **Component 2 – Building Health System Resilience in Azerbaijan**

Leadership of the Government health authorities in PHC reform is the most critical condition for the success of the programme. Strong ownership and commitment at both national level (MoH, SAMHI and TABIB) and local level (district Executive Committee - ExComs) will ensure the final buy-in of new policy, standards and models for scale-up. Coordination among all health sectors is one of the major challenges where WHO and UNICEF's role in supporting coordination has been effective in past experiences in several programmes. Coordination between WHO and UNICEF and development of a joint programme framework will ensure use of each agency's comparative advantages and avoid duplication.

Capacity building of health personnel should be institutionalized through incorporating training modules and packages into both pre-service training (university curriculum and development of new generation of health service providers) and in-service training (on-job and refresher training). Building training into the health sector human resource management system, including supporting reformulation of job descriptions and competency frameworks and performance-based appraisal systems with Key Performance Indicators, will help build quality and sustainable human resources in the health sector.

More investment and capacity-building on health behaviour and social norm changes are needed, including both traditional communication skills and using digital platforms and high technologies in supporting communication and health education.

Policy advocacy, legislation reform, and public finance for health are fundamental issues in establishing an enabling environment for PHC. Efforts will be made for public finance analysis on health, costing of services and the promotion of increased salaries for health workers.

## **3.5. The Intervention Logic**

This Action builds on an evidence-based situation analysis and will focus on needs identified in cooperation with national authorities and key stakeholders. The Action will be implemented based on lessons learned not only in Azerbaijan but also more broadly at sub-regional (Caucasus and the Eastern Partnership), regional (European Region) levels and internationally. The Action will seek synergies with other initiatives in Azerbaijan and regionally, such as the Economic and Investment Plan for the EaP and its Flagships and in particular on promoting innovative rural development.

The underlying intervention logic of this Action is that strengthening the resilience of the agricultural and primary health care systems in Azerbaijan through targeted actions in the areas of sustainable growth in rural areas and strengthening green transformation (component 1), PHC governance and PHC human resources for health and service delivery (component 2) will support the reinforcement of the country's longer-term resilience and its broader socio-economic development, in line with the 2030 Agenda and the ambitions of the EU-Azerbaijan cooperation.

The Action will be implemented through a mix of interventions ranging from policy guidance, development and dialogue to technical assistance, capacity-building and service delivery.

Activities will be implemented in close cooperation with national and local authorities ensuring a complete alignment with national priorities and a strong ownership of the Action by agricultural and health authorities and practitioners. The ownership of the Action by authorities and their commitment to implement the recommendations issued in the context of the Action are assumptions for the success of the Action.

### 3.6 Logical Framework Matrix

| Results          | Results chain<br>Main expected results<br>(maximum 10)   | Indicators (at least one<br>indicator per expected<br>result)             | Baselines<br>(values and<br>years) | Targets<br>(values and years) | Sources of<br>data                            | Assumptions  |
|------------------|--|---|------------------------------------|-------------------------------|---|--|
| <b>Impact</b>    | To support Azerbaijan towards socio-economic recovery and resilience in Azerbaijan, with a particular focus on inclusive and sustainable growth in rural areas and on building a more resilient health system. | 1 Share of agricultural production in the non-oil sector                  | 1 17,7% (2021)                     | 1 18,2% (2025)                | 1 National statistics<br>2 Government reports | <i>Not applicable</i>  |
| <b>Outcome 1</b> | 1 Increase the competitiveness and support the development of selected value chains ensuring social and environmental sustainability of all stages of the Farm to Fork (F2F) value chains.                     | 1.1 Additional added value created (Horticulture/Crop-kilograms per unit) | 1.1 0% (2021)                      | 1.1 20% (2025)                | 1.1 Survey Reports, National Statistics       | Government remain committed to support rural development<br><br>Stable political environment |
| <b>Outcome 2</b> | 2 Improve infrastructure of rural areas for promoting employment generation and social inclusion of youth, women and other vulnerable populations; support to adolescent boys and girls.                       | 2.1 Number of jobs created for women and youth                            | 2.1 0 (2021)                       | 2.1 750 (2025)                | 2.1 Survey Reports National Statistics        | COVID-19 pandemic does not significantly disrupt value chains in targeted regions            |



|                                      |   |   |  |   |   |   |
|--------------------------------------|---|---|--|---|---|---|
| <b>Outcome 3</b>                     | 3 Strengthen health system policy and governance by establishing a framework for a resilient PHC system;  | 3.1 Results for the Index of Universal Health Coverage Index of service coverage  | 3.1 65 (2019)  | 3.1 75 (2027)   | 3.1 WHO Monitoring Report                           | Government commitment to the PHC reform   |
| <b>Outcome 4</b>                     | 4 Enhance maternal, child and adolescent health services  | 4.1 High-impact MCH services are covered by the basic mandatory health insurance package for all pregnant women and young children and standards developed and implemented                        | 4.1 Partially covered (2020)                                       | 4.1 More interventions covered with standard and operational guidelines provided (2025) | 4.1 Standard and operational guidelines             | Government open to proposed policies and strategies                                     |
| <b>Outcome 5</b>                     | 5 Improve skills and competencies of the PHC health workforce;  | 5.1 Total NCD mortality rate (per 100 000 population), age-standardized<br><br>5.2 Under-five mortality rate (per 1,000 live births)  | 5.1 722.3 (2019)<br><br>5.2 20 (2019)                              | 5.1 400 (2027)<br><br>5.1 15 (2027)   | WHO / The Global Health Observatory                 | Close cooperation of all stakeholders and partners                                      |
| <b>Outcome 6</b>                     | 6 Strengthen PHC capacities to address basic mental health problems of and provide psychosocial support to adolescent boys and girls  | 6.1 Existence of the draft National Mental Health Strategy and Action Plan for Adolescent Mental Health   | 6.1 Old National Mental Health Strategy has expired in 2015 (2020) | 6.1 Draft Strategy and Action Plan available for approval (2025)                        | Programme document; Government decree on approval   | Government open to proposed policies and strategies                                     |
| <b>Output 1 related to Outcome 1</b> | 1.1 Efficient institutional mechanisms and capacities for formulation of policies and strategies to support sustainable, inclusive, market oriented rural development, enabling the green transformation; | 1.1.1 New strategies, aimed at incentivizing sustainable agricultural practices and supporting women and young entrepreneurs developed<br>1.1.2 Territorial approach in addressing the identified | 1.1.1 0<br><br>1.1.2 0   | 1.1.1 1<br><br>1.1.2 1  | 1.1.1 Strategy document<br><br>1.1.2 Project Report | Stable political environment<br><br>Government open to proposed policies and strategies |

|   |  |  |  |  |   |
|---|--|--|--|--|---|
|   |  | <p>challenges developed and solutions that will enable the sustainable use and preservation of natural resources proposed;</p> <p>1.1.3 Proposal for future subsidy mechanisms developed</p> <p>1.1.4 Policy recommendations for local rural development (community development) and on supporting smallholders prepared.</p> <p>1.1.5 Policy guidance on environmentally friendly practices, agri-environmental policies and sustainable agricultural approaches developed.</p> | <p>1.1.3 0 1.1.3 1</p> <p>1.1.4 0 1.1.4 1</p> <p>1.1.5 0 1.1.5 1</p> | <p>1.1.3 Mechanism document</p> <p>1.1.4 Policy document</p> <p>1.1.5 Policy guidance document</p> | <p>Government remains committed to support rural development</p>                                    |
| <p><b>Output related Outcome 1</b></p> <p><b>2 to</b></p> | <p>1.2 Increased competitiveness of the selected value chains from Farm to Fork through improved capacities, developed forms of cooperation and increased participation in community networks, better access to inputs and adopted</p> | <p>1.2.1 Value chains for prioritized agricultural commodities assessed</p> <p>1.2.2 Market strategies developed</p> <p>1.2.3 Needs of smallholder farmers as well as local</p>  | <p>1.2.1 0 1.2.1 1</p> <p>1.2.2 0 1.2.2 1</p> <p>1.2.3 0 1.2.3 1</p> | <p>1.2.1 Assessment Report</p> <p>1.2.2 Strategy document</p> <p>1.2.3 Assessment Report</p>       | <p>Effective communication and advocacy by FAO with key local stakeholders (public and private)</p> |

|  |  |  |         |                         |  |                       |  |
|--|--|--|---------|-------------------------|--|-----------------------|--|
|  | innovative practices for social and environmental sustainability of agricultural production. | executive authorities and service providers assessed   |         |                         |  |                       | COVID-19 pandemic does not significantly disrupt value chain systems in targeted districts |
|  |  | 1.2.4 Number of farmers trained on business skills and management  | 1.2.4   | 0                       | 1.2.4 500 (at least 50% women including youth) | 1.2.4 Training Report |  |
|  |  | 1.2.5 Number of trained farmers on post-harvest and processing operations to add value to fruits and vegetables (e.g. grading, cleaning, packaging, labelling) | 1.2.5   | 0                       | 1.2.5 500 (at least 50% women including youth) | 1.2.5 Training Report |  |
|  |  | 1.2.6 Number of trained farmers on grant and loan administration and effective utilization of the funds (disaggregated by sex)                                 | 1.2.6   | 0                       | 1.2.6 500 (at least 50% women including youth) | 1.2.6 Training Report |  |
|  |  | 1.2.7 Sound organization and cooperation type/structure (e.g. a cooperative, farmers'/producers association etc.) for smallholder farmers developed            | 1.2.7   | 0                       | 1.2.7 1  | 1.2.7 Project Report  |  |
| 1.2.8 Strategies on Competitive fruit and vegetable values and Producers' Organization (networks) developed. | 1.2.8  | 0  | 1.2.8 1 | 1.2.8 Strategy document |  |                       |  |

|                                      |  |  |          |             |                                 |   |
|--------------------------------------|--|--|----------|-------------|---------------------------------|---|
|                                      |  | 1.2.9 Options for crop diversification analysed  | 1.2.9 0  | 1.2.9 1     | 1.2.9 Report Analyses           |   |
|                                      |  | 1.2.10 Opportunities for implementing various innovative practices for sustainable and environmentally friendly agricultural production assessed | 1.2.10 0 | 1.2.10 1    | 1.2.10 Report Assessment        |   |
|                                      |  | 1.2.11 Number of grant schemes funded  | 1.2.11 0 | 1.2.11 1800 | 1.2.11 Reports Project          |   |
|                                      |  | 1.2.12 Number of facilitated contract negotiations between farmers and potential buyers  | 1.2.12 0 | 1.2.12 30   | 1.2.12 Negotiations minutes     |   |
|                                      |  | 1.2.13 Number of signed contracts between farmers and buyers   | 1.2.13 0 | 1.2.13 15   | 1.2.13 Copy of contracts signed |   |
|                                      |  | 1.2.14 Number and volume of loans provided under Flagship 4 funded credit schemes  | 1.2.14 0 | 1.2.14 6    | 1.2.14 IFI monitoring reports   |   |
| <b>Output 1 related to Outcome 2</b> | 2.1 Community infrastructure improved for increased social inclusion, with focus on promotion of | 2.1.1 Community development plans with concrete mechanisms for supporting vulnerable   | 2.1.1 0  | 2.1.1 15    | 2.1.1 0                         | Communities and local authorities are willing to join |

|                                      |  |  |  |  |   |   |
|--------------------------------------|--|--|--|--|---|---|
|                                      | decent work for women and youth.   | groups such rural women/youth farmers' ability to participate in the agriculture market developed<br><br>2.1.2 Number of supported rural infrastructure based on collective needs of the farmers | 2.1.2 0  | 2.1.2 15   | 2.1.2 0   | project activities                                  |
| <b>Output 1 related to Outcome 3</b> | 3.1 Policy document and Roadmap for resilient PHC designed, adopted and implemented, Regulatory framework updated including PHC related guidelines and protocols | 3.1.1 Diagnostic assessment of the health sector in Azerbaijan<br><br>3.1.2 Policy document and Strategic Roadmap for PHC<br><br>3.1.3 Number of clinical protocols and guidelines developed     | 3.1.1 No (2021)<br><br>3.1.2 No (2021)<br><br>3.1.3 955 Evidence-Based Medicine Guidelines (2021). 0 PHC specific protocols (2021) | 3.1.1 Yes (2024)<br><br>3.1.2 Yes (2024)<br><br>3.1.3 Guidelines updated and 60 additional PHC related protocols and guidelines (2025) | 3.1.1 Health sector Assessment Report<br><br>3.1.2 Policy document and Roadmap<br><br>3.1.3 Clinical protocols and guidelines | Government open to proposed policies and strategies |
| <b>Output 2 related to Outcome 3</b> | 3.2 PHC health workforce recruitment and retention model and interventions developed and adopted;  | 3.2.1 Policy document on recruitment and retention model at the PHC  | 3.2.1 No specific policy (2021)  | 3.2.1 Recruitment and retention model and interventions developed and adopted (2025)   | Policy document. Government decree  | Government open to proposed policies and strategies |

|   |   |  |  |   |   |  |
|---|---|--|--|---|---|--|
| <p><b>Output 3 related to Outcome 3</b></p> | <p>3.3 Health management information systems assessed and upgraded</p>                            | <p>3.3.1 Assessment of health information system at the PHC level</p> <p>3.3.2. Digital Home Visiting real-time monitoring app and electronic database developed and tested.</p> | <p>3.3.1 information generated by system is mostly paper based focused on recording the number of activities (2021)</p> <p>3.3.2 No digital tools (2020)</p> | <p>3.3.1 Health information system assessed and policy recommendations provided including key processes and outcome indicators that are needed for ensuring effective primary care (2024)</p> <p>3.3.2 Two digital tools are available for rolling-out (2023)</p> | <p>3.3.1 Assessment report with recommendations</p> <p>3.3.2 Monitoring app and electronic database</p> | <p>Government open to proposed policies and strategies</p> |
| <p><b>Output 4 related to Outcome 3</b></p> | <p>3.4 PHC quality model and practices developed and rolled-out in selected geographic areas;</p> | <p>3.4.1 PHC quality model</p>   | <p>3.4.1 No (2021)</p>   | <p>3.4.1 PHC quality model developed (2025) and rolled-out in selected geographic areas (2027)</p>  | <p>3.4.1 Project reports<br/>Assessment reports</p>   | <p>Close cooperation of all stakeholders and partners</p>  |
| <p><b>Output 1 related to Outcome 4</b></p> | <p>4.1 New State Programme on Maternal and Child Health developed and implemented.</p>            | <p>4.1.1 State Programme on Maternal and Child Health</p>  | <p>4.1.1. State Programme on MCH has been expired (2021).</p>  | <p>4.1.1 New State Programme drafted and costed, and ready for approval (2023)</p>  | <p>MCH Programme</p>  | <p>Close cooperation of all stakeholders and partners</p>  |
| <p><b>Output 2 related to Outcome 4</b></p> | <p>4.2 Maternal, child and adolescent service provision model modified</p>                        | <p>4.2.1 Number of essential MCH services modules and standards developed/updated and adopted</p>  | <p>4.2.1 3 (Home Visiting, IYCF and GMCD) (2021)</p>   | <p>4.2.1 7 (4 more ANC, maternal nutrition and anaemia prevention, IPC for health behaviour change, IMCI, etc.) (2025)</p>  | <p>Module packages including guideline, training package and toolkits)</p>                              | <p>Close cooperation of all stakeholders and partners</p>  |

|                                      |   |   |   |  |  |   |
|--------------------------------------|---|---|---|--|--|---|
| <b>Output 3 related to Outcome 4</b> | 4.3 Improved child-centred PHC service delivery in selected vulnerable districts  | 4.3.1 Number of children and women are benefited from the improved PHC/MCH services in the selected districts                               | 4.3.1 0 (2020)  | 4.3.1 20,000 (2025)  | Monitoring reports; Administrative reports from PHC facilities, digital case management database |   |
| <b>Output 1 related to Outcome 5</b> | 5.1 Curricula of pre-service and in-service medical education institutions' educational and continuous professional development programmes including relevant PHC/MCH elements updated and adopted; | 5.1.1 Number of medical institutions with updated curriculum that covers essential skills mix and competencies for delivery of MCH services | 5.1.1 0 (2020)  | 5.1.1 4 (2025)   | Updated curriculum of medical training institutions  | Close cooperation with medical institutions |
| <b>Output 2 related to Outcome 5</b> | 5.2 A continuous professional development system for PHC/MCH health care workers developed and functioning  | 5.2.1 Policy document describing CPD system for PHC workers<br><br>5.2.2 KPI framework for PHC/MCH staff                                    | 5.2.1 CPD is outdated and is not PHC specific (2021)<br><br>5.2.2 No (2020) | 5.2.1 CPD system for PHC workers (2025)<br><br>5.2.2 Yes and tested (2025)   | CPD document<br><br>KPI guideline document   | Government open to proposed framework       |
| <b>Output 3 related to Outcome 5</b> | 5.3 PHC health workforce (doctors and nurses) trained on relevant upgraded PHC/MCH content.   | 5.3.1 Number of health care workers trained on PHC (disaggregated by sex)<br><br>5.3.2 Number of PHC HCW trained on MCH                     | 5.3.1 0 (2021)<br><br>5.3.2 0 (2021)  | 5.3.1 4,000 PHC doctors and 6,000 PHC nurses and midwives (2027)<br><br>5.3.2 2,000 doctors and 5,000 nurses in the six districts (2027) | Programme reports  | Close cooperation with medical institutions |

|                                      |  |  |                 |   |  |  |
|--------------------------------------|--|--|-----------------|---|--|--|
| <b>Output 1 related to Outcome 6</b> | 6.1. Adolescent Mental Health Care intervention framework and service models developed   | 6.1.1 Evidence-based AMH intervention framework and service models in place  | 6.1.1 No (2020) | 6.1.1 Yes (2025)  | Assessment results and intervention framework and service models | Public authorities support strengthening AMH services as part of PHC reforms |
| <b>Output 2 related to Outcome 6</b> | 6.2 Capacity of PHC workers, school teachers and psychologists on providing basic mental health care services for adolescent are built in the selected districts | 6.2.1 Number of PHC workers, school teachers and psychologists received training on providing basic mental health care services for adolescent | 6.2.1 0 (2020)  | 6.2.1 1,000 doctors/nurses and 500 school teachers/psychologists (2027) | Programme reports  | Close cooperation of all stakeholders and partners                           |
| <b>Output 3 related to Outcome 6</b> | 6.3 Integrated Mental Health and Psychosocial Support (MHPSS) services for adolescents piloted in the selected districts.  | 6.3.1 Number of adolescents benefited from the MHPSS services supported by the Action  | 6.3.1 0 (2020)  | 6.3.1 15,000 (2027)   | Programme reports  |  |



## **4. IMPLEMENTATION ARRANGEMENTS**

### **4.1. Financing Agreement**

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### **4.2. Indicative Implementation Period**

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### **4.3. Implementation Modalities**

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>19</sup>.

#### **4.3.1. Indirect Management with entrusted entities**

##### **4.3.1.1. Under component 1 with a pillar assessed entity**

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Necessary operational (organisational, human and management) capacity of the organisation;
- Experience and expertise in the fields relevant to the implementation of Component 1 of this Action, namely agriculture, food systems and rural development;
- Expertise and experience of implementing support, recovery and resilience-building projects under extraordinary socioeconomic circumstances in emergency, humanitarian and development context;
- In-depth understanding - based on proven own international professional experience in the country - of the situation in Azerbaijan in the agri-food and rural development sectors, including the capacity to mobilise sufficient expertise and presence in the country;
- Adherence to EU values and principles such as transparency, absence of conflict of interest and attention to cross-cutting issues, in particular as regards gender and human rights.

This implementation by this entity entails activities related to the Component 1 of the Programme – Sustainable regional and rural development for improved resilience and livelihoods in less developed regions of Azerbaijan.

This implementation entails strengthening skills, the organisation and material base of rural smallholders with a focus on women and youth as well as institutional and administrative capacities of Azerbaijan's institutions involved in regional and rural development and agriculture to build resilient and sustainable value chains and food systems borrowing amongst others from principles of the EU's Farm to Fork strategy.

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<sup>19</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### **4.3.1.2. Under component 2 with a pillar assessed entity**

A part of this Action may be implemented in indirect management with one or more entity(ies), which will be selected by the Commission's services using the following criteria:

- Necessary operational (organisational, human and management) capacity of the organisation;
- Experience and expertise in the fields relevant to the implementation of Component 2 of this Action, namely in health sector reform;
- Expertise and experience of implementing support, recovery and resilience-building projects under extraordinary socioeconomic circumstances in an emergency, humanitarian and development context;
- In-depth understanding - based on proven own international professional experience in the country - of the situation in Azerbaijan in public health care, including the capacity to mobilise sufficient expertise and presence in the country;
- Adherence to EU values and principles such as transparency, absence of conflict of interest and attention to cross-cutting issues, in particular as regards gender and human rights.

The implementation by this entity entails activities related to the component 2 of the programme: Building Health System Resilience in Azerbaijan.

It entails the strengthening institutional and administrative capacity-building of Azerbaijani institutions involved in the health sector, related to carrying out specific tasks, including primary health care policy development, identification and piloting of an integrated approach, enhancement of institutional, academic and public awareness on primary health care policy, sharing of international knowledge and expertise.

#### **4.4. Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where the application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

## 4.5. Indicative Budget

| <b>Indicative Budget components</b>                                   | <b>EU contribution<br/>(amount in EUR)</b> | <b>Indicative third-party contribution,<br/>in EUR</b> |
|---|--|--|
| <b>Implementation modalities</b> – cf. section 4.3                    |  |  |
| <b>Specific Objectives 1 &amp; 2</b> composed of                      |  |  |
| Indirect management with entrusted entities - cf. section 4.3.1.1     | 5 000 000                                  | NA   |
| <b>Specific Objective 3, 4, 5 &amp; 6</b>                             |  |  |
| Indirect management with entrusted entities - cf. sections 4.3.1.2    | 8 300 000                                  | 920 000  |
| <b>Evaluation</b> – cf. section 5.2<br><b>Audit</b> – cf. section 5.3 | 200 000                                    |  |
| <b>Communication and visibility</b> – cf. section 6                   | NA   |  |
| <b>Contingencies</b>  | NA   |  |
| <b>Totals</b>   | 13 500 000                                 | 920 000  |

## 4.6. Organisational Set-up and Responsibilities

The Delegation of the European Union to Azerbaijan will be responsible for the management of the programme and will monitor its overall implementation. It will also be the focal point for any communication with the contractors or the beneficiary institutions. The Commission and the partner country will regularly review progress made in the overall implementation of the Action through a Programme Steering Committee (PSC) which meets once a year. Apart from steering the overall process the PSC also aggregates information about progress in implementation which will be made available to relevant stakeholders.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5. PERFORMANCE MEASUREMENT

### 5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Baselines and targets which are not yet available will be provided at contracting level (at the latest at the end of the inception phase) by the selected implementing partners.

Implementing partners' monitoring will aim at collecting and analysing data to inform on progress towards planned results' achievement to feed decision-making processes at the action's management level and to report on the use of resources.

At the level of the individual projects funded under this Action, specific Steering Committees (SC) will be convened by the beneficiary institutions involving the EU Delegation and other relevant stakeholders. The SC will meet regularly to review progress on the basis of periodic reports.

SDG indicators and, if applicable, and jointly agreed indicators as, for instance, those from the EU Results Framework, should be taken into account.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details of the Action. The final report, narrative and financial, will cover the entire period of the Action implementation.

## **5.2. Evaluation**

Having regard to the importance of the action, an ex-post evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 60 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

## **5.3. Audit and Verifications**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## **6. COMMUNICATION AND VISIBILITY**

Communication and visibility is a contractual obligation for all entities implementing EU-funded external actions to advertise the European Union's support for their work to the relevant audiences.

To that end they must comply with the instructions given in the [Communication and Visibility Requirements of 2018](#) (or any successor document), notably with regard to the use of the EU emblem and the elaboration of a dedicated communication and visibility plan, to be completed for every action at the start of implementation.

These obligations apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries or entrusted entities. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Communication and visibility measures may be funded from the amounts allocated to the action. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds.

Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and concerned EU Delegation fully informed of the planning and implementation of specific visibility and communication activities before work starts. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

All communication strategies developed as part of this action shall ensure they are in line with the priorities and objectives of regional communication initiatives supported by the European Commission and in line with the EU Delegation's communication strategy under the "EU4Azerbaijan" umbrella initiative.