
TWINNING PROJECT FICHE

Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan

1. Basic information

- 1.1 **Programme:** ENPI-Annual Action Programme 2013 for the Republic of Azerbaijan (ENPI/2013/024- 494)
- 1.2 **Twinning number:** AZ 13 ENI SO 01 16 (AZ /45)
- 1.3 **Title:** Support to the Ministry on Labour and Social Protection of the Population in modernising Public Employment Services in the Republic of Azerbaijan
- 1.4 **Sector:** Social affairs and Employment
- 1.5 **Beneficiary country:** Republic of Azerbaijan

2. Objectives

2.1 Overall objective:

To improve the efficiency and effectiveness of the public employment services through the provision better services.

2.2 Project purpose:

To strengthen the institutional capacity, management and operation of the State Employment Service (SES), to modernise and expand public employment services ensuring better addressing the needs of jobseekers and employers.

2.3 Contribution to National Development Plan/Cooperation agreement/Association agreement / Action plan

EU-Azerbaijan agenda

After its enlargement in May 2004, the EU faced a new geopolitical situation and adopted the **European Neighbourhood Policy (ENP)**¹, which is a new framework for the relations with its neighbours. The ENP aims to go beyond the existing Partnership and Co-operation Agreements to offer neighbouring countries the prospect of an increasingly closer relationship with the EU with the overall goal of fostering the political and economic reform processes, promoting closer economic integration as well as legal and technical approximation and sustainable development.

The central element of the ENP is a bilateral **Action Plan (AP)**² which clearly sets out policy targets and benchmarks through which progress with an individual neighbouring country can be assessed over several years. The Priority area 6 of the AP concerns “support balanced and sustained economic development, with a particular focus on diversification of economic activities, development of rural areas, poverty reduction and social/territorial cohesion; promote sustainable development including the protection of the environment”. In terms of employment policy, the Section 4.4 of the AP envisages “employment creation measures aimed at increasing the efficiency of employment and develop the labour market”.

The ENP-AP also includes co-operation tools, like Twinning, the Technical Assistance Information Exchange Office instrument (TAIEX) and the Support for Improvement in Governance and Management initiative

¹ http://eeas.europa.eu/enp/index_en.htm

² <http://pao.az/en/newsfeeds/list-all-news-feed-categories/digital-library/other-related-eu-documents/74-euazerbaijan-action-plan/file>

(SIGMA) , which play an essential role in the achievement of the Action Plan priorities. In particular, the Twinning instrument, which provides for direct co-operation between EU and Azerbaijani public bodies to support institution building activities, has proved to be particularly efficient in policy areas where the expertise required by the beneficiary country exists mainly in the public sector.

Governmental policy and strategy

Existing legislation and strategic documents

- 1 February 1999 - Labour Code of the Republic of Azerbaijan № 618-IG
The Code sets the conditions for contractual relations between employers and employees and minimum standards on labour protection
- 2 July 2001 - Law “On Employment” № 170-IIQ
This Law determines legal, economical and organizational basis of state policy, as well as government provisions on labour and social protection of unemployed citizens with regard to contribution to Employment.
- 16 February 2011 - Regulation on the State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan
This Regulation defines the role and responsibilities of the State Employment Services under MLSP in organising delivery of public employment services in the country.

A detailed list of relevant laws and regulations is attached in the Annex 2.

State Programmes

The reforms in the field of the proposed project are stated in the following key documents:

- Development concept “Azerbaijan - 2020: Outlook for the Future”
- Azerbaijan National Employment Strategy 2006-2015 and State Programme on Implementation of the Employment Strategy 2011-2015
- Employment Concept 2016-2025 (expected to be finalised by September 2016)
- State Strategy for the Development of Education (Decree No. 13 by the President of the Republic of Azerbaijan, dated October 24, 2013)
- Action Plan on the Implementation of the State Strategy for the Development of Education in the Republic of Azerbaijan (Order of the President of the Republic of Azerbaijan, dated January 19, 2015)

a) Azerbaijan - 2020: Outlook for the Future

Minimising unemployment and human capital development are foreseen among the main elements of the Strategic View and Main Priorities of the Development concept “Azerbaijan - 2020: Outlook for the Future”. It is stated, inter-alia: “Azerbaijan will be a place where the population’s incomes are high, unemployment is minimum, human capital is highly developed, the environment is protected and health and every citizen has broad opportunities. As a result of the measures stipulated by the concept, by the end of the period, the volume of per capita GDP in the country will increase more than twice and reach 13,000 USD”.

The key components of state policy in this field are: to create a national labour and employment information system, to put in place a system to monitor and analyse the labour market and to take measures to prevent unofficial employment; to create equal employment opportunities for men and women, career growth opportunities for women, including those for senior roles.

b) Azerbaijan National Employment Strategy 2006-2015 and State Programme of Implementation of the Employment Strategy 2011-2015

The key strategic documents “Azerbaijan National Employment Strategy 2006-2015” and “State Programme of Implementation of the Employment Strategy 2011-2015” contained numerous references to the need of bringing the skills supply in line with the labour market demand, improving identification of demand for skills and the development of related analytical and information systems. These documents set the objectives for employment policy development and the socio-development programme tries to correlate the employment goals with economic development objectives. The main expected results are e.g. creation of good conditions

for an effective implementation of employment policies, vocational education and training, and human capital development. The new strategy “Employment Concept 2016-2025” is expected to be finalised by September 2016.

International Conventions and Agreements

The most important international conventions related to project are the following:

- ILO Employment Policy Convention (No. 122, from 1964), ratified by the Republic of Azerbaijan 11.5.1992
- ILO Employment Service Convention (No. 88, from 1948), ratified by the Republic Azerbaijan 11.3.1993

3. Description of the project

3.1 Background and justification

Employment and unemployment

The employment rate in Azerbaijan is relatively high, reaching 68.3% among men and 63.9% among women (Source: ETF). Women are however over-represented (in comparison to men) among contributing family workers (33% in 2012) and own-account workers (30% in 2012). Moreover this indicator is difficult to compare internationally since according to the law, land owners are considered employed and the employment rate is calculated for the population up to 75 (against up to 65 according to international definitions).

The overall unemployment rate in 2014 was 4.9%, higher for female with 5.8% than male (4.0%). Youth unemployment (for those aged 15-24) reached 13.7% and was also higher for female (15.9%) than male (11.5%) The youth unemployment rate (persons aged 15-24 years) reached 13.7%.

Legislative framework

The following two acts create the key legislative framework for employment policies and employment services in Azerbaijan:

The Law of the Republic of Azerbaijan on Employment determines the legal, economical and organisational basis of state employment policy as well as government provisions on labour and social protection of persons with regard to unemployment. The Law provides especially the following:

- Key definitions on employment, unemployment and rules on granting the status of unemployed person
- Definition on reasonable job to be offered to unemployed persons
- Guidelines and measures on the employment policy by the government
- Civil rights in the field of employment and state provisions in implementing labour rights
- Provisions on the employment of people in need of special social protection
- National and territorial employment programmes
- Involvement of employers and social partner organisations in provision of employment
- Financing of measures related to social protection of job seekers and unemployed persons
- Vocational training and organising public works
- Rules governing payment and termination of unemployment benefits

The Regulation on *State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan* provides the SES with task to perform Public Employment Services and Active Labour Market Programmes in the country including the following:

- Career counselling
- Vocational training and additional education
- Provision of employment (vacancies according to the quota)
- Organization of paid public works
- Labour fairs and labour exchange
- Granting the unemployed status
- Assignment of unemployment benefits

State Employment Services (SES)

The Ministry of Labour and Social Protection of the Population (MLSP) of the Republic of Azerbaijan is responsible for employment and social policy issues. The MLSP was established in 1992 and is the responsible body in preparation and implementation of state policies in the areas of employment, social protection and combat against unemployment.

The State Employment Services (SES) has been established in 1991 and it operated first in the context of local self-governmental structures. From 2011 it has been part of state administration to constitute one of the central agencies under the MLSP. SES has a comprehensive office network across the country. Its structure consists of the Central Office in Baku, 83 Regional Employment Centres and 3 Vocational Training Centres (Baku, Goychay and Nakhchivan). The total staff volume in SES is 407 employees; in the central administration there are 54 employees and 353 employees are working in the Regional Employment Centres and Regional Vocational Training Centres. The staffing volume across the Regional Employment Centres is 3-5 employees with a uniform set-up, namely office director, accountant for administrating unemployment benefits and 1-3 employment counsellors. The number of staff in servicing customers in local offices is practically the smallest among the national employment services in compatible countries.³

The training policy of SES is to offer trainings for different staff categories in the Regional Employment Centres based on the annual training plans. The trainings are delivered by the experts in SES central office and MLSP. The training plan for 2015 (being implemented till July 2016) for the office directors includes e.g. topics of employment legislation and strategies, role of PES and ALMP, labour statistics and forecasting, issues of social protection and social assistance programmes. Training plan of the employment counsellors includes, in addition to the above mentioned topics, training on databases and reporting tools of SES. There is also a programme tailored for the accountants focused on administrative issues and unemployment benefits and an introductory programme for the new employees entering to service. When reviewing the role and service of SES, the current staff training provision needs to be assessed according to the future demands.

Currently its impacts to the employment situation among the job seekers are limited. There is need for a comprehensive review of the existing SES business model, taking into account the limited resources and labour market circumstances in the country. The review should define the future role and objectives of the public employment service in the country, portfolio of services and ALMP to be provided, optimal strategy to deliver the services (e.g. by using online services, group services, individual services) and appropriate institutional structures and management arrangements.

Provision of employment services active labour market programmes by SES

According to the latest Labour Force Survey (LFS) from 2013, there were 236,600 unemployed persons in Azerbaijan. On February 1, 2016, 29 thousand unemployed registered in the Regional Employment Centres, of which 38% are women. A great majority of the registered unemployed (91.8%) are long-term unemployed (unemployed more than 12 consecutive months). Unemployed are entitled to unemployed allowance for a period of 26 weeks. In average monthly unemployment allowance is 281 AZN. The current employment services don't reach the great majority of unemployed the services appear to have only a small effect to employment among the persons registered in SES.

The current legislation mandates SES to deliver the most typical forms of employment services and active labour market programmes.⁴ The following summarises the current services and programmes in use.

Job placement: Employers have a legal obligation to report on their vacancies to SES. However, it is not clear how extensively this obligation is followed and what share SES actually has in the market of job mediation. According to the information by SES, the annual number of vacancies reported by employers has been 35,000 – 40,000 during the last years. In 2014 in total 29,390 job offers to job seekers were made by SES. For strengthening the job placement function, SES organises job fairs on a regular basis. In 2014 there were 543

³ http://wapes.org/en/system/files/eng_survey_rapport.pdf

⁴ <http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Labor-Market-DP/1215.pdf>

companies attending the fairs and 4,722 vacancy notices were received in the context the events. However, the job placement process appears not benefit enough the unemployed, taking into account the high number of LTU.

Counselling: Individual counselling is provided for job seekers in the Regional Employment Centres. However, considering the limited staff resources in offices, this provision is limited. An important service by SES is career counselling events in secondary schools. In 2014 there were 113,246 beneficiaries in career counselling and out of them 96,291 were secondary school students. Website www.ses.gov.az/prof includes information related to selection of occupation and education, also a set of socio-psychological tests is made available online to support vocational orientation (Raven test, Gilford-Salivan test, Landolt test, Holland test)

Specialised services: Besides quota employment placements, services and programmes for the vulnerable job seekers in the labour market are quite limited. There is no profiling system in use for assessing job seekers' employability and service needs. This also applies preparing individual employment plans, in-depth assessment of working capacities and offer vocational rehabilitation services.

Online services: SES has made a strong effort in developing self-services by introducing an online vacancy bank. In total 120 desktops are made available for consulting vacancies as self-service in Regional Employment Centres, Vocational Education Centres, at the universities and in a number of public facilities. The provision of online vacancy information will be extended and further developed as a part of electronic labour contract registration system.

Active labour market programmes: The most important form of ALMP provided by SES is the skills development programmes delivered by the 3 Vocational Training Centres. The training offer is 86 conventional training programmes and 58 training modules and 3,786 persons were referred to vocational training courses in 2014. In public work schemes there were involved 1,605 persons. Internationally adopted ALMP like programmes for supporting self-employment or subsidised employment schemes (wage subsidies to employers recruiting hard-to-place job seekers). This also applies to the programmes targeted especially to most vulnerable persons in the labour market. The limited offer and volumes in ALMP also contribute to the high share of LTU among the job seekers.

Introduction to the project

During the last years developing certain services and particular elements in the employment services has been supported by internationally funded programmes and national activities. Development work has been done e.g. in counselling methods and management practices (see Chapter 3.2). The expected impact and added value of the Twinning project is related to introducing comprehensive new service concept in employment services Azerbaijan and initiating a profound reform for modernising the SES. The project will utilise the results of the previously implemented programmes and incorporate these results to New Service Model and comprehensive service reform.

The project will also take into account the development of Labour Market Information System and foreseen ETF support in this area. The operations of inter-sectoral Working Group on LMIS and Twinning Working Group are to be closely coordinated.

The project is to support the Government of Azerbaijan in planning and implementing a comprehensive reform in public employment services based on the European best practices. A new and comprehensive service model for the SES will be developed by the support of the Project. The new model should take into account the following:

- General mission of SES: expected impacts it should have to employment and labour market
- Portfolio of services and ALMP
- Strategy to efficient delivery the services and ALMP (usage of online self-services, individual services and intensified individual services, etc.)
- Management system to set targets for the services and monitoring of attainment for them
- Staffing volumes, new work profiles and requirements for performance
- Tools and instruments to support in service delivery and management
- Implementation and staff training plan for introducing the model across the country

The Regulation on “State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan” is the main regulatory related to the Project. It is envisaged that the Project will raise needs for adjusting this Regulation and potentially also the “Law of Azerbaijan Republic on Employment”.

The project suggests a review the current institutional set-up and proposes the necessary adjustment to implement the planned reform in the State Employment Services. Introducing the New Service Model by the support of the project will require assessment of the tasks in each staff category. The project will support in developing new occupational profiles for SES staff and developing and delivering training programmes which are necessary for adopting the new services.

The project will also contribute to develop new types of ALMP (training programmes, support to self-employment), taking into account the needs among the most vulnerable job seekers.

The project will also contribute to full adoption of the vacancy monitoring system and better targeting on the programmes.

3.2 Linked activities (other international and national initiatives)

The EU has already committed through the Annual Action Programme 2014 to support the reform of the Vocational and Educational System in Azerbaijan, in order to develop a system increasingly capable of providing qualified professionals to the labour market. The programme aims at contributing to the modernisation of the education and training systems in Azerbaijan, enhancing quality, equality, relevance and access in line with European standards and practices. The programme with planned duration of 4 years and anticipated budget of 19 million Euros has the following main objectives:

- To enhance the quality and relevance of the education system
- To increase the attractiveness and labour market relevance of all levels of VET
- Strengthening civic participation, governance, and transparency of the education system

The Twinning project will have a linking with the VET programme especially in developing the labour market relevance of the VET system. The Twinning project aims at strengthen the capacities of SES in monitoring the skills demands in the labour market (more comprehensive vacancy monitoring, strengthened contact to employers for increasing the number of vacancies and obtaining more detailed information on the skills needs). On the other hand the new services of SES is intended to include more efficient counselling and individual employment planning, where also offer of VET programmes will utilised more extensively.

The project will provide a ground for the EU assistance to the Ministry of Labour and Social Protection of the Population to strengthen capacity to skills anticipation and workforce planning and provide training and skills development to meet human resource needs of SMEs and other actors in the labour market foreseen within the EU Technical Cooperation Facility (TCF) to Support Economic and Financial Governance under the annual action programme 2016 for Azerbaijan.

The World Bank’s Social Protection Development Project (SPDP) was completed in august 2015. According to the project’s final assessment (WB report on project implementation and results), SPDP achieved a number of results in line with the project development objective (to improve delivery of labour market and social protection interventions through strengthened institutions, enhanced institutional and human resources capacity, and improved targeting of social safety net programs). The results of the SPDP which are closely related to the proposed Twinning Project include the following:

- Improved performance of the SES in such services as job search, job fairs, relationship with employers, small business counselling services etc. The following manuals for improved ALMPs were prepared: (i) Job Search Skill Training Program Package including training materials for training of trainers; (ii) Training Manual for a Job Club Leader and Guidelines for participants of job clubs; (iii) Procedures for operating the vacancy and job fairs program; (iv) Procedures, orientation and training program and administrative materials for vacancy identification (employer contact services); (v) Manual for development of range of services provided by small business advisory services; (vi) Programs on employment of persons with disability and their integration to the labour market, including Action Plan and Draft Law on Social Enterprises of the Republic of Azerbaijan. Additional

services such as ‘Enterprise Club’ and work with private employment advisors have been designed as well.

- A Model PIMS (Performance Information and Management System) that will allow SES to assess key program cost effectiveness and to inform resource allocation decisions was developed: i) Key indicators defined; ii) Methodology for conducting monitoring on assessment of current status in the labour market elaborated; iii) A follow-up survey questionnaire developed to determine the (gross) placement rate of program participants; iv) A standard PIMS bulletin software (a set of tables presenting key indicators) to provide semi-annual and annual reports on program performance and outcomes designed. Trainings and workshops were conducted for the SES staff on PIMS (including training materials). The model in two local employment centres was tested, necessary adjustments to the model were made and assistance was provided to the SES in implementation of the system. SES was provided with information as needed for evaluation of different labour market programs. One report on Azerbaijan labour market has been shared with the World Bank.
- Development of improved occupational standards according to ISCO-88/08 and relevant training standards (see: www.dios.az). This activity was to create 200 occupational standards, 100 training standards and 200 occupational standards assessments.
- Conducting Labour Force Survey (LFS) in Azerbaijan. Field work for LFS was completed in 2013 and the final dataset was provided in December 2013.

ILO has developed Decent Work Country Profiles for Azerbaijan within the project on Decent Work and had commissioned a study on Anticipation of skills needs and related Labour Market Information in Azerbaijan that reviewed the different initiatives in the field of skills anticipation.

3.3 Results

Result 1: New comprehensive SES service model based on the European best practices developed and management operation improved

Description

A comprehensive new Service Model constitutes a basis and guidelines for modernising the public employment services in Azerbaijan with short-term and long-term objectives. The service model (terms “business model” or “service concept” are also used in this connection) includes, first of all, an overall mission statement for defining the role SES should have in the labour market and expected impacts from it. The service model defines the services ALMP to be offered for attained the desired impacts and presents a strategy to their delivery by using different channels as online self-services, face-to-face services or individual intensified services. Furthermore, the service model specifies the institutional set up, legal framework, management arrangements as well as tools and instruments re (e.g. software and hardware) to implement the services with the most effective way.

An important element in the service model is also defining the job descriptions for different positions in services, required qualifications and competencies as well as setting an appropriate training policy. Furthermore, the service model defines a complete human resource management system, including the recruitment process, selection, induction, performance appraisal and reporting, behaviour, reward systems, career development, promotion mechanisms and absence management in line with the existing legislation for appointment of civil servants and best practices in the relevant fields, as well as a relevant quality assurance system for a public employment service, at national and regional level.

Developing a service model should be based on EU practices on modern PES organisation, tailored for the labour market conditions in Azerbaijan. It requires high level policy commitment to define the mission of SES for the future in order to launch a comprehensive service reform. The outcomes and results from the previous development programmes are to be considered and incorporated to this work

Key output indicator(s)

- Presentation of modern public employment service models for SES staff
- New Service Model including strategy for services delivery prepared
- Job descriptions and new requirements in different positions
- Draft amendment for the legal acts regarding institutional reforming and management of services

- Performance management system tailored for the service model including monitoring and evaluation mechanisms to assess SES' performance based upon pre-defined indicators
- Relevant quality assurance system for a public employment service at national and regional level including a model to assess staff's tasks and performance
- SES's working processes
- Implementation plan for introducing the service model across the country finalised

Result 2: Provision of services efficiently addressing labour market needs strengthened with focus on Active Labour Market Programmes prepared.

Description

Services efficiently addressing labour market needs cover: provision of local area labour market information; improved personal services and Active Labour Market Programmes (case management, individual employment plans, self-service); implementation of appropriate measures adjusted to the needs of vulnerable groups, close collaboration with employers; close relationships with education and training institutions and other education and training providers.

In particular currently the provision of Active Labour Market Programmes by SES is quite limited and project will support SES to strengthen it.

First of all, the project will support in adopting the **vacancy monitoring model** which is under development by MLSPP. The vacancy monitoring system is expected to support in developing the ALMP, especially in identifying new skills development programmes and better targeting of trainings. Regarding the training provision in SES Vocational Training Centres, the project will support in designing of 10 new training modules in addition to current programmes. The new programmes are to reflect the identified skills needs in the labour market, with focus on agriculture sector.

The second area in developing the ALMP will be programmes to **support self-employment**. The potential measures for promoting self-employment through SES services will be assessed take into account international experiences. New measures may include e.g. identifying job seekers with entrepreneurial aspiration, initial counselling in business planning, referring to more specialised services and training on self-employment. Support to of self-employment may also include investigating feasible models on initial funding in self-employment, e.g. by developing unemployment allowance towards initial capital for self-employment.

Based on international practices, developing **services for vulnerable groups**, including persons with disabilities (PWD), requires multi-professional approach and integrating services of various providers. The project support is increase awareness on the newly adopted working practices in employment of PWD and conducting assessment on the situation of employment services targeted for vulnerable groups of people. A proposal and plan for introducing a new type of support/service is developed based on the international best practices; integrating different forms of support and networking of service providers are highlighted in identifying a new service. The results from the previous programmes, including action plan draft law on social enterprises, are to be considered. The project will conduct a testing of new service/programme developed with a limited number of beneficiaries in order to received first-hand experience on the new approaches. The review on services for the vulnerable groups of population will also include the special needs among the internally displaced people in Azerbaijan. The special service units established to servicing internally displaced people will be taken into account in developing the New Service Model and introducing new programmes for the most vulnerable job seekers.

Key output indicators

- Computerised nation-wide information system covering all vacancies and jobseekers meeting the requirements of individual case management established.
- Descriptions/Manuals for the procedures of the preparation of individual employment plans (including self-employment) for the unemployed and training of the staff in 3 selected employment offices to use them.
- Descriptions/Manuals for organising vocational guidance and training of the staff in 3 selected employment offices to implement vocational guidance.
- Descriptions/Manuals for offering labour market services targeted to PWD and training of the staff in 3 selected employment offices to use them.

- 10 new training modules for agricultural profiles for SES vocational training centres

Result 3: Capacities developed among MLSP/SES staff to implement the New Service Model

Description

The training needs among the staff will be assessed and comprehensive training programme developed to support the service reform. International experience in similar reforms tells that directors in employment centres are in a key position in change. Therefore, training of directors may be considered as priority programme is sequencing of capacity building. The training programme for all staff members in having a role in direct service delivery will follow; a group of selected trainers will be trained by the support of project.

Indicative list of training modules

- 1) Training for tripartite employment committees members
- 2) Soft skills training
- 3) Vocational guidance training
- 4) Training to use the standards and descriptions of different services
- 5) Training in preparation of individual employment plans

Key output indicator(s)

- Training needs analysis
- Training Strategy
- Training programmes and practical manuals
- Training of Trainers (ToT) programme
- Soft skills (such as negotiating, interviewing, counselling, motivating, stress management, time management, project management, team work, etc.) training programme and materials
- Coaching programmes for implementation of new services for different groups of unemployed, increasing the overall quality of the services taking account especially the need for an individual approach to each unemployed person in accordance with competences, wishes and the expected need of the labour market.

3.4 Activities

In order to meet the specific mandatory results of this project, the partners may agree on alternative or complementary activities and outputs to those identified in this section.

Project kick-off event

A meeting aiming at presenting the Twinning project to the main involved stakeholders shall take place at the beginning of the project implementation.

Project closing event

A conference shall present the main results achieved during the project implementation and shall be organised before the conclusion of the project.

Activities related to Result 1: New comprehensive SES service model based on the European best practices developed and management operation improved

Activity 1.1 Presentation of modern public employment service models for SES staff and study visit of the experts of MLSP and SES

The experts from the Working Group as well as selected experts involved in the development work will be familiarised with international practices in PES business models including the role and mission in the labour market, strategic choices made for defining the range of services to be delivered as well as institutional structures and skills profiles required from the staff. The presentation will be complemented by a study visit to relevant institutions in the EU Member State.

Activity 1.2 Development of a new comprehensive SES service model and related manual

The core activity related to Result 1 is actual design and drafting on the service model including strategy for services delivery. The Working Group with international expert will conduct the drafting work. The Working Group maintains close relations to high level policy making bodies during the development process.

Activity 1.3 Performance management system tailored for the New Service Model

A management system based on performance ensures proper implementation of services and enables monitoring of attaining the set targets for SES. The management system includes indicators defined to measure the organisational targets, system of collection of the necessary information for assessing attainment of these targets as well as arrangements for managing the organisation based on performance. The results from the previous programme on Performance Management Information System will be reviewed and incorporated into the work.

Activity 1.4 Review of the legislative framework and institutional structure

Current legislation (especially Regulation (386/2011) on the State Employment Service under the MLSP) defines the role and responsibilities of SES and there is a legal mandate to implement a typical range of employment services in the country. However, it is expected that introducing the New Service Model requires reviewing the legislative framework, especially in terms of institutional reforming and management of services.

Activity 1.5 Implementation plan for the New Service Model

An implementation plan is an operational document for introducing the New Service Model across the country. The plan sets a framework on phases on setting into practice the new services and office structure, institutional set up and revised management arrangements. An important part of implementation on new services is capacity building of PES staff at all institutional levels and a separate Result in this project will contribute to this aim.

Activity 1.6 Designing job descriptions and model for performance assessment based on the tasks in the New Service Model

New job descriptions and new requirements for different positions in new services as well as model for performance assessment will be developed by the support of the project. The descriptions will cover different tasks of the staff members in managing and delivering services. Results from the previous skills development programmes targeted for counsellors will be considered. Relevant quality assurance system for a public employment service at national and regional level will be proposed, as well as model to assess staff's tasks and performance and monitoring and evaluation mechanisms to assess SES' performance based upon pre-defined indicators.

Activities related to Result 2: Provision of services efficiently addressing labour market needs strengthened with focus on Active Labour Market Programmes

Activity 2.1 Vacancy monitoring model further developed

A model for vacancy monitoring has been developed by the MoLSPP in order to strengthen the labour forecasting function. The project will support in full adoption of the newly developed model, exploiting the information made available through the vacancy monitoring in targeting of ALMP and further developing the system.

Activity 2.2 Introducing 10 new training modules to be delivered by the Vocational Training Centres

Regarding the provision of trainings in the SES training centres, the project will support in designing of 10 new training modules. The new modules are to reflect the identified skills needs in the agriculture sector.

Activity 2.3 Developing new measures for supporting self-employment

Project will present best practice in public employment measures supporting self-employment and develop Descriptions/Manuals for the preparation of individual employment plans (including self-employment) for the unemployed, as well as train the staff in 3 selected employment offices to use them. New measures may include e.g. offering training and general consultancy services to entrepreneurs; investigating appropriate schemes for funding business start-ups; set up businesses by providing access to advice (a mentor programme); help with start-up costs once it has been demonstrated a viable business idea and readiness to register as self-employed.

Activity 2.4 Introducing vocational guidance service

Project will present best practice in provision of vocational guidance and develop Descriptions/Manuals for organising vocational guidance; staff in 3 selected employment offices will be trained to implement vocational guidance.

Activity 2.5 New services in promoting employment of vulnerable groups of people, especially persons with disabilities (PWD)

Project will present best practice in employment and social inclusion of the most disadvantaged and vulnerable groups, in particular beneficiaries of social assistance and people with disabilities, in the labour market through development and implementation of active employment policies. Descriptions /Manuals for offering labour market services targeted to PWD will be developed and of the staff in 3 selected employment offices to use them will be trained. This Activity will also consider the needs for services and programmes among the internally displaced people in Azerbaijan.

Activities related to Result 3: Capacities developed among MLSP and SES staff to implement the New Service Model

Activity 3.1 Implement a training need assessment and develop a training strategy

A training needs assessment will be conducted among the staff responsible for putting the New Service Model into practice and operating the model on a daily basis in the future. The project will develop an appropriate approach for the assessment and develop a training strategy and programmes based on the identified training modules.

Activity 3.2 Development of training programme

A comprehensive training programme will be developed based on training need assessment and strategy. The programme is to meet the training needs in different staff categories according to the modernised services of SES. Training materials and practical manuals will be developed.

Activity 3.3 Training of trainers

Selected SES staff members receive Training of Trainers module in order to deliver the programme targeted for all SES staff members servicing job seekers and employers in SES regional employment centres.

Activity 3.4 Pilot delivering the training programme for the selected SES staff

International experience in similar reforms tells that directors in employment centres have an important role in service reforms. Therefore, the training of directors may be considered as priority programme is sequencing of capacity building.

Training programme should include soft skills (such as negotiating, interviewing, counselling, motivating, stress management, time management, project management, team work, etc.); proactive approaches to employer and educational service provider relationships to more effectively manage interactions and allow better targeting of services; coaching programmes for implementation of new services for different groups of unemployed, increasing the overall quality of the services taking account especially the need for an individual approach to each unemployed person in accordance with competences, wishes and the expected need of the labour market.

3.5 Means/ Input from the MS Partner Administration

The MS partner administration is expected to provide the Project Leader (MS PL) and Resident Twinning Advisor (RTA) as well as a team of short term experts to support them in implementation of the project activities.

The MS PL is the key link between the partners, acting at an overall operational and strategic level. The RTA is seconded to the BC administration and resides in the BC. He co-operates day-to-day with the BC partners and coordinates the input of the MS short-term experts (STEs).

It has proved to be an advantage for the project implementation in previous Twinning projects when the MS has designated a senior STE to be responsible for each mandatory result/component of the project (i.e. a

component leader) and to liaise with the respective component leader to be nominated by the BA. The BA will nominate counterparts to these key roles (see section 6.3).

The required MS experts must either be civil/public servants of the relevant MS administration or be permanent staff of authorised mandated bodies. All experts must comply with the requirements set in the Twinning Manual.

The nature of work for technical assistance abroad requests strong initiative, good analytical, interpersonal and language skills. All experts shall possess these qualities.

The RTA will be supported by a permanent RTA Assistant. In collaboration with the BA, the RTA assistant will handle administrative arrangements for conferences, training, seminars, etc. including provision of interpreters and the ensuring the translations. One assistant will be selected during the Twinning contract preparation period.

A full-time interpreter/translator may also be recruited in Azerbaijan and funded by the project. (S)he will perform most of the required interpretation/translation services. Whenever required and needed on a clear justified request, e.g. for simultaneous interpretation during seminars and workshops, additional interpretation as well as translation may be procured and funded by the project. (S)he will provide day-to-day interpretation/translation to the RTA and project experts during meetings.

3.5.1. Profile and tasks of the Project Leader (PL)

The Project Leader (PL) from the MS should be a high-ranking civil servant or an equivalent senior manager in a MS national employment body with sufficient work experience in the field relevant to the project.

The PL will supervise and coordinate the overall thrust of the project. (S)he will direct the project and will ensure that all the required strategic support and operational input from management and staff of the MS side are available. Together with the Beneficiary PL, he will organise the Project Steering Committee (PSC) meetings. **The MS PL would continue to work in her/his MS administration but should devote a minimum of three working days per month to the project in Azerbaijan with an on-site visit to Azerbaijan at least every three months to participate in the project SC meetings.**

Profile:

Qualification and skills

- An university degree in a relevant discipline and experience in the national implementation of international instruments
- Familiarity with current EU-policies, existing structures and methods in the field of the project
- Experience in project management, demonstrating good record in organisational leadership, staff motivation, and communication
- Good command of written and spoken English

General professional experience

- Preferably at least 7 years of professional experience at a senior management level in her/his MS public service in the sector of employment policies and employment services
- Experience in social/employment policy development

Specific professional experience

- Broad knowledge of current EU-policies, existing structures and methods in the sector
- Experience in strategic development and management of Employment Services and Active Labour market Programmes
- Specific experience in the management of the implementation of international instruments would be an asset
- Experience in EU funded projects would be an asset

Tasks:

- Liaising with the BC Administration at the political level
- Overall co-ordination, guidance and monitoring
- Ensuring the direction of the project work

- Ensuring the achievement on time of the mandatory project results
- Ensuring the availability on time of MS-Short Term Experts and other MS resources
- Executing other administrative tasks

3.5.2. Profile and tasks of the Resident Twinning Advisor (RTA)

The Resident Twinning Advisor (RTA) seconded from the EU MS should have at **least five years' work experience as a staff member in MS labour market institutions, working directly in the field of Public Employment Services**. Knowledge on employment services institutions in other MS and policies related to employment services in EU level will also be an asset. The RTA will be in charge of the day-to-day implementation of the Twinning project in Azerbaijan. (S)he should co-ordinate the implementation of activities according to a predetermined work plan and liaise with the RTA counterpart in Azerbaijan. **(S)he will reside for the entire implementation period of 24 consecutive months in Azerbaijan and work full-time for the project.** The RTA is expected to be actively involved in the implementation of all activities. (S)he should co-ordinate the project and have a certain level of understanding of all components.

Profile:

Qualification and skills

- A University degree in a relevant discipline
- Familiarity with current EU-policies, existing structures and methods in the Public Employment Services sector
- Good command of written and spoken English

General Professional Experience

- At least 5 years' experience in the development and management of Employment Services and Active Labour market Programmes
- Experience in managing teams of experts
- Experience in developing, co-coordinating and conducting training programmes would be an asset

Specific Professional experience:

- Good knowledge of the institutional environment relating to the implementation and enforcement of relevant EU legislation
- Experience in conducting legal reviews would be an asset
- Experience in working in a different cultural environment would be an asset
- Experience in Eastern Partnership (EaP) countries with similar projects would be an asset

Tasks:

- Day-to-day coordination and implementation of the project activities in Azerbaijan
- Preparation of Terms of Reference (ToR) for STEs' missions
- Managing the input of short-term experts
- Arranging study tours to MS countries for the staff of the MLSP and SES and other involved administrations
- Substantial provision of own expertise
- Ensuring the coherence and the continuity of the inputs and the on-going progress
- Assessing continuously the Twinning-project at all stages and comparing actual progress with the specified benchmarks and time-frame
- Guaranteeing smooth implementation of the different activities;
- Liaising with the BC Project Leader and RTA Counterpart on regular basis
- Liaising with the EU Delegation and the PAO of Azerbaijan
- Preparing interim, quarterly and final reports
- Reporting to the MS-Project Leader

3.5.3. Profile and tasks of the short term experts (STEs)

The short-term experts should have good experience in the relevant subject matter. The STEs should be civil servants or staff members of the selected MS institution(s). They should have worked in the required fields for

not less than 3 years and have appropriate qualifications and necessary skills to implement the above mentioned activities.

The exact number of STEs per activity should be agreed upon during the contract negotiations. There should be a pool of short-term experts to ensure smooth implementation of the project. The STEs should be identified by the Project Leader/RTA and will be agreed with the Beneficiary Administration during the negotiations of the Twinning contract.

Indicative fields of experience for the short-term experts:

- Laws and regulations on employment policies and services
- Management of Public Employment Services
- Services for job seekers and employers
- Training of staff in employment services
- Management of human resources in employment services
- Institutional assessment
- Active Labour Market Programmes
- Career guidance
- Labour Market Information

Indicative profile of the short-term experts:

Qualification and skills

- Relevant university degree
- Good command of written and spoken English

General Professional Experience

- At least 3 years' proven experience in the relevant field

Specific professional experience

- Up-to-date knowledge and current experience in the respective field of project activity
- Project and training experience would be an asset

In addition to their missions in Azerbaijan, the STEs are expected to contribute actively in developing programmes for the study visits proposed in the project.

STEs' main tasks:

- Provision of their specific expertise
- Know-how transfer according to the ToR prepared by the RTA and BA
- Reporting on their missions

3.6 Reporting and monitoring

The MS Project Leader must draw up, with the RTA's support, Interim Quarterly Reports and a Final Report. (S)he will be responsible for submitting them to the relevant authority.

For templates and requirements to reporting and monitoring, see the Twinning Manual.

Project Steering Committee (PSC)

The PSC will be convened at least every three months. The PSC will be chaired jointly by the MS PL and the BC PL. The PSC composition will be defined in the Working Plan according to requirements set in the Common Twinning Manual. Representatives from the PAO of the Republic of Azerbaijan and the EU Delegation, the RTA counterpart and BC PL as well as the RTA, MS PL and BC component leaders will participate in the PSC meetings. Observers from other institutions may be involved from time to time in cross-cutting issues. Representatives from other administrations or short term experts, may also be invited if necessary. The PSC will follow the achievement of the project results and the timely implementation of the project activities in order to identify and rectify any problems that may arise in the course of the implementation of the project.

The secretarial support of the PSC will be provided by the RTA and RTA Assistant, who will prepare the agenda of the meetings, the documents to be discussed as well as the minutes of the meetings.

The working language of the Project implementation will be English. Translation and interpretation will be provided where necessary and where permitted in the provisions of the Twinning Manual.

4. Institutional framework

The Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan is the central counterpart and beneficiary of the Twinning Project. However the project will extend assistance to other institutions, as specified in this fiche.

4.1 Responsible authorities for employment

The Ministry of Labour and Social Protection of Population is the responsible authority for the employment sector in Azerbaijan

4.2 Other Azerbaijani stakeholders for employment policy

Employment is a policy area having connections to many other policy areas and sectors within the government. Employment policy making also involves social partner organisations (employers' organisations and trade unions).

4.3 Organisation of the Beneficiary Administration (BA)

Functions, Departments and Staff

The Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan is responsible for employment and social policy issues. It has been established in 1992 and according to its official mission statement and definition of tasks the Ministry has the following responsibilities:

- Preparation of state policies in the areas of employment and social protection
- Development of policies concerning demographics and migration, and enforcement of these policies within the laws and norms of Azerbaijani legislation
- Creation of favourable conditions for employable workforce, and protection of rights of all employed individuals at all enterprises, firms, offices and organizations regardless of their legal governmental or non-governmental status
- Implementation of policies to combat unemployment
- Increasing the capabilities of and opportunities for the disabled, youth, women with many children, Azerbaijani refugees and IDPs, and family members of persons killed during the war;
- Organization of events in cooperation with state and private companies to support recruitment of workforce;
- Supervision of the enforcement of laws concerning workforce protection, labour relations, workplace hygiene, migration, and other related issues;
- Provision of social benefits;
- Responsibility of state assistance programmes to poor families;
- Provision of social services for disabled and elderly persons who do not have the support of family members (household services and institutional care), neglected minors, victims of domestic violence, victims of human trafficking, and persons released from prison
- Organization of rehabilitation programmes for persons with disability, and assistance to the with acquisition of prosthetic appliances
- Implementation of research on demographics, labour and social protection and promoting international cooperation in this sphere.

The central organisation of MLSPP was reformed in 2011, and it is currently divided into 13 departments. The MLSPP has also two other nationwide policy implementation structures besides the State Social Protection Service: 1) State Labour Inspection Service, and 2) the State Employment Service. All these services are under the direct supervision of the MLSPP within the Ministry.

The key bodies of MLSPP participating to the project are Legal Department, Employment Policy Department, Labour Department and Scientific Research and Training Centre.

The State Employment Services (SES) has been established in 1991 and it operated first in the context of local self-governmental structures. From 2011 it has been part of state administration to constitute one of the central agencies under the MLSP. According to the Regulation 386/2011 on the “State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan” SES is defined as “an executive body in charge of social protection measures of jobseekers and unemployed citizens” with the following areas of services:

- Ensuring implementation of the measures stipulated in the legislation in the field of employment in the Republic of Azerbaijan
- Provision of jobseekers and unemployed citizens with appropriate jobs, involvement in paid public works, and implementation of appropriate measures with a view to vocational trainings and additional education in the manner prescribed by the legislation
- Provision of determination and payment of unemployment benefits in accordance with the legislation
- Implementation of appropriate measurements prescribed by the legislation, in order to provide jobs for citizens with special social needs and who have difficulty in finding a job with the vacancies at enterprises and organisations established in accordance with the quota
- Collecting data about vacancies from the employers and making use of them
- Carrying out active employment measures (labour markets, labour exchanges etc.) with the aim of strengthening social protection of jobseekers and unemployed citizens
- Performing other activities defined by legislation.

The SES Central Office has 5 Departments: Labour market analysis and statistics department, Social Security for the job seekers and unemployed people department, Internal control department, Law and staff department and Finance and accounting department. SES has a comprehensive office network (Regional Employment Centres) across the country. Its structure consists of the Central Office in Baku, 83 Regional Employment Centres and 3 Vocational Training Centres (Baku, Goychay and Nakhchivan).

The project will involve SES organisation comprehensively, including different departments at central level, Regional Employment Centres and Vocational Training Centres.

5. Budget

The maximum budget allocated to this Twinning project is €1,200,000

The Azerbaijani beneficiary administration will provide the RTA and other MS experts with office space in its main building in Baku, equipment and other provisions as stated in the Common Twinning Manual.

6. Implementing arrangements

6.1 Implementing Agency responsible for tendering, contracting and accounting

The Implementing Agency responsible for tendering, contracting and accounting is the European Commission represented by **the Delegation of the European Union to the Republic of Azerbaijan**.

The persons in charge of this project at the Delegation of the European Union to the Republic of Azerbaijan are:

Mr Jeroen WILLEMS

Head of Cooperation

Delegation of the European Union to the Republic of Azerbaijan

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Mr Rza ZULFUQARZADE

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Website: <http://eeas.europa.eu/delegations/azerbaijan>

6.2 Main counterparts in the Beneficiary country

Programme Administration Office in Azerbaijan (PAO)

The person in charge of this project at the PAO is:

Mr. Ruslan RUSTAMLI, Director of PAO

Head of the Department on Cooperation with International organizations

Ministry of Economy and Industry of the Republic of Azerbaijan

6th floor, Government House,

84 Uzeyir Hajibayli str.

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E-mail: asiman.hashimli@economy.gov.az

Beneficiary Administration

The Beneficiary Administration has nominated its main counterparts to the MS PL and RTA:

Project Leader –

Mr Anar Badalbayli

Head of State Employment Service under MLSPP

Address:

85 Salatın Asgarova street

Baku, AZ 1009 Azerbaijan

Tel.: (+994 12) 4972289

Fax: (+994 12) 5964301

E-mail: anar.badalbayli@mlspp.gov.az

**RTA counterpart –
Mr Ulvi Ismayilov
Senior consultant of international cooperation department
State Employment Service under MLSP**

Address:

85 Salatin Asgarova street
Baku, AZ 1009 Azerbaijan
Tel.: (+994 12)5963541
Fax: (+994 12)5964301
E-mail: ulvi.ismayilov@mlspp.gov.az

During the contracting phase of the project, the Beneficiary Administration will nominate leaders for each of the components

6.3 Contracts

Only one Twinning contract is foreseen for this project.

A new Financial Regulation applicable to the general budget of the European Union entered into force on 1st January 2013⁵.

Implementation schedule (indicative)

6.4 Launching of the call for proposals:	September 2016
6.5 Start of project activities:	June 2017
6.6 Workplan duration:	24 months

7. Sustainability

The Twinning project will have to seek sustainable solutions and approaches based on the adoption of best practices and thus prepare the grounds for Azerbaijani enhanced compliance with the selected EU Acquis and specifically best European practices in the field of social affairs an employment.

Sustainability issues will be further elaborated in the course of the preparation of the project contract as a joint responsibility of the MS partner and the Beneficiary Administration. Besides, in the final report, twinning partners will include specific recommendations and strategies for consolidating and safeguarding the achievement of mandatory results in the beneficiary administration.

To ensure sustainability, Beneficiary Administrations should be provided with the training materials (all handovers) in both languages, English and Azerbaijani. That means that a budget for the translation of Guidelines, Handbooks, Glossaries, Methodology Manuals, etc. developed within the project should be foreseen.

8. Cross-cutting issues

8.1 Equal opportunity

The proposed project will comply with EU equal opportunity policies. Equal treatment of women and men in project implementation at all levels will be one of the most important principles in the project management and implementation. The beneficiaries are already equal opportunity employers. In particular, great attention will be given to the equality principle in the training of personnel and the recruitment of the STEs. Of course, appropriate professional qualifications and experience will be the main decisive factors in personnel recruitment and evaluation but, subject to that, both women and men will have identical prospects.

⁵ Financial Regulation: Regulation (EC, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:298:0001:0096:EN:PDF>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:362:FULL:EN:PDF>

8.2 Environment

The principle of implementation of this Twinning project is based on a paperless work environment. This means, in particular, minimising paper use during project implementation by the maximum feasible use of e-mails and, if available, project web-site and/or project electronic data base for co-operation between partners. Documents are automatically saved in electronic format.

9. Conditionality and sequencing

N/A

10. ANNEXES

1. Logical framework matrix in standard format
2. List of relevant Laws and Regulations
3. Law on Employment
4. Statute of the State Employment Service
5. Organigramme of State Employment Services

List of the abbreviations

ALMP	Active Labour Market Programmes
BC	Beneficiary Country
CoM	Cabinet of Ministers
EUD	European Union Delegation
ENP	European Neighbourhood Policy
ENP AP	European Neighbourhood Policy Action Plan
ENPI	European Neighbourhood and Partnership Instrument
ETF	European Training Foundation
EU	European Union
ILO	International Labour Organisation
LFS	Labour Force Survey
LTU	Long-term unemployment/unemployed
PES	Public Employment Services
PWD	Persons With Disabilities
MLSP	Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan
MS	Member State
MS PL	Member State Project Leader
NIP	National Indicative Programme
PAO	Programme Administration Office
PCA	Partnership and Cooperation Agreement
RTA	Resident Twinning Adviser
SES	State Employment Services
SIGMA	Support for Improvement in Governance and Management
STE	Short Term Expert
TAIEX	Technical Assistance Information Exchange Office
ToR	Terms of Reference

ANNEX 1: Logical Framework Matrix*

Support to the Ministry on Labour and Social Protection of the Population to modernise Public Employment Services in the Republic of Azerbaijan	Programme name and number: ENPI AAP 2013	AZ 13 ENI SO 01 16 (AZ /45)	
Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan	Contracting period expires: Total budget: 1,200,000 Euro	Disbursement period expires:	
	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall objective:			
To improve the efficiency and effectiveness of the public employment services through the provision of better services.	<ul style="list-style-type: none"> • Positive changes in employment / unemployment statistics (reducing long-term unemployment over time, less social exclusion, more unemployed are actively seeking for work through SES, more unemployed have access to active labour market measures) • SES services and activities modernised and expanded based on the practices in EU and adapted with the situation in Azerbaijan 	<ul style="list-style-type: none"> • Labour market statistics published by the State Statistical Committee; Labour Force Survey and SES performance indicators • Manual on New Service Model endorsed by the government, administrative acts on adoption of new forms of services and reports on pilot offices 	<ul style="list-style-type: none"> • There is no dramatic change in the general labour market circumstances; changes remain moderate during the course of the project • There is political commitment by the Azerbaijan Government to strengthen the role of Public Employment Services and undertake a comprehensive reform to modernise the services
Project purpose:			
To strengthen the institutional capacity, management and operation of the State Employment Service (SES), to further develop the competences of its staff, to modernise and expand public employment services ensuring better addressing the needs of jobseekers and employers.	<ul style="list-style-type: none"> • Service model to ensure the provision of professional individual services, self-services and special services for employers developed and accepted by beneficiary • Number of unemployed helped with placement and other services by SES increased • Number and ratio of successfully filled 	<ul style="list-style-type: none"> • Manual to describe the service model/concept endorsed by the Government • SES performance indicators; annual trends on placements and ALMP 	<ul style="list-style-type: none"> • MLSP fully mandated, committed and resourced to undertake the service reform • Full ownership by MLSP • MLSP will assign resources and relevant experts to reform in the context of the project

	vacancies by SES increased <ul style="list-style-type: none"> • Number of new ALMP increased 	<ul style="list-style-type: none"> • SES performance indicators; total number of vacancies and vacancies filled by job seekers in Regional Employment Centres • Published training offer by VET centres; service manuals on ALM 	
Mandatory Results:			

<p>1. New comprehensive SES service model based on the European best practices developed and management operation improved</p>	<ul style="list-style-type: none"> • At least 2 EU MS modern public employment service models presented for SES staff • New Service Model including strategy for services delivery • Manual on how the developed new service model can be effectively used by the relevant staff of the SES developed • Performance management system tailored for the service model prepared • Monitoring and evaluation mechanisms to assess SES' performance based upon pre-defined indicators prepared • SES's working processes developed • Job descriptions and new requirements in different positions prepared • Model to assess staff's tasks and performance prepared • Draft amendment for the legal acts regarding institutional reforming and management of services developed • Relevant quality assurance system for a public employment service at national and regional level prepared • Implementation plan for introducing the service model across the country prepared • A study visit of 5 MLSP and SES members is organised in an EU Member State on modern public employment service models 	<ul style="list-style-type: none"> • Reports on workshop and study visit • Manual on New Service Model, including new service strategy, SES's working processes and quality standards for service provisions, monitoring and evaluation mechanisms to assess SES' performance • Document on job descriptions and new requirements in different positions and model to assess staff's tasks and performance • Recommended texts of revised laws, decrees & bylaws regarding institutional reforming and management of services • Document on quality assurance system for a public employment service at national and regional level • Review report on legal and institutional framework • Implementation plan document 	<ul style="list-style-type: none"> • Full ownership by MLSP by different departments/bodies in the Ministry involved in the process • MLSP will assign resources and relevant experts to reform in the context of the project • Management systems to be developed are coordinated and in line with the general management practices in the MLSP and SES • Timely adoption and implementation of the new legal provisions in the field • Social Partners' organisation are consulted and involved in the reform
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<p>2. Provision of services efficiently addressing labour market needs strengthened with focus on Active Labour Market Programmes</p>	<ul style="list-style-type: none"> • Computerised nation-wide information system covering all vacancies and jobseekers registered in local employment office meeting the requirements of individual case management • Descriptions for the procedures of the preparation of individual employment plans (including self-employment) for the unemployed prepared and training of the staff in 3 selected employment offices to use them implemented • Descriptions for organising vocational guidance prepared and training of the staff in 3 selected employment offices to implement vocational guidance implemented • Descriptions for offering labour market services targeted to PWD prepared and training of the staff in 3 selected employment offices to use them implemented • 10 new training modules for agricultural profiles for SES vocational training centres developed 	<ul style="list-style-type: none"> • Reports from vacancy monitoring system on skills demands • Guidelines on preparing individual guidelines and training reports • Guidelines on vocational guidance and training reports • Guideline /brochure on the service/programme to PWD; regulatory act on the measure • Training modules for agricultural profiles 	<ul style="list-style-type: none"> • Resources allocated for the new measures and training programmes • Full technical development and operational efficiency of computerised nation-wide information system designed and/or acquired • Commitment by MLSSP and SES for developing new procedures and guidelines for individual employment planning and vocational guidance • Sufficient staff at SES in terms of qualification, quantity and availability • Trained personnel remains at the disposal of the beneficiary institution
<p>3. Capacities developed among MLSP/SES staff to implement the New Service Model</p>	<ul style="list-style-type: none"> • Training needs assessment carried out and training strategy developed • Training programmes and practical manuals developed • Training of Trainers (ToT) programme developed and implemented • Soft skills (such as negotiating, interviewing, counselling, motivating, stress management, time management, project management, team work, etc.) training programme and 	<ul style="list-style-type: none"> • Training needs assessment report • Training strategy • Training programmes and manuals, training evaluation reports • Programme/curricula for Training of Trainers • Training evaluation report 	<ul style="list-style-type: none"> • Availability and commitment of local staff – particularly to attend training • Capacity of beneficiary is sufficient to absorb the projects results • Availability of suitable premises needed for training • Roles and responsibilities of trainers are defined by MLSP/SES; mobilisation of trainers is ensured, including policy on compensation

	materials for the staff of SES developed • Proactive approaches to employer and educational service provider relationships to more effectively manage interactions and allow better targeting of services developed • 25 trainers trained		• Trained personnel remains at the disposal of the beneficiary institution
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	Means	Costs	
Visibility actions			
0.1. Kick-off meeting	BC, MS, RTA, RTA Counterpart		
0.2. Quarterly meetings of the Steering Committee	BC, MS, RTA, RTA Counterpart		
0.3. Mid-term visibility conference			
0.4. Final conference	BC, MS, RTA, RTA Counterpart		

Activities to achieve result 1: New comprehensive SES service model based on the European best practices developed and tested			
1.1. Presentation of modern public employment service models for SES staff and study visit of the experts of MLSP and SES	RTA, RTA Counterpart, STE and BA Counterparts		
1.2. Development of a new comprehensive SES service model and related manual	RTA, RTA Counterpart, STE and BA Counterparts		
1.3. Performance management system tailored for the New Service Model	STE and BA Counterparts		
1.4. Review and develop proposals to update the legislative framework and institutional structure	STE and BA Counterparts		

1.5. Implementation plan for the New Service Model	RTA, RTA Counterpart, STE and BA Counterparts		
1.6. Designing job descriptions and model for performance assessment based to the tasks in the New Service Model	RTA, RTA Counterpart, STE and BA Counterparts		
<i>Activities to achieve result 2: Provision of services efficiently addressing labour market needs strengthened with focus on Active Labour Market Programmes</i>			
2.1 Further developing vacancy monitoring model	STE and BA Counterparts		
2.2 Introducing 10 new training modules delivered by the Vocational Training Centres	RTA and RTA counterpart, STE and BA Counterparts		
2.3 Developing new measures for supporting self-employment	RTA and RTA counterpart, STE and BA Counterparts		
2.4 Introducing vocational guidance service			
2.5 New services in promoting employment of vulnerable groups of people, especially persons with disabilities (PWD)	RTA and RTA counterpart, STE and BA Counterparts		
<i>Activities to achieve result 3: Capacities developed among MLSPP/SES staff to implement the New Service Model</i>			
3.1. Implement a training need assessment and develop a training strategy	STE and BA Counterparts		
3.2 Development of training programme			
3.3. Training of trainers	STE and BA Counterparts		
3.4 Pilot delivering the training programme for the selected SES staff	STE and BA Counterparts		

* - This Logical Framework Matrix is tentative. The Twinning partners shall revise the content of the Logical Framework Matrix, mainly measurable indicators / benchmarks basis of commonly agreed activities and outputs during the drafting of the work plan for this project

ANNEX 2: List of relevant Laws and Regulations

- 1 February 1999 - Labour Code of the Republic of Azerbaijan № 618-IG
The Code sets the conditions for contractual relations between employers and employees and minimum standards on labour protection
- 2 July 2001 - Law “On Employment” № 170-IIQ
This Law determines legal, economical and organizational basis of state policy, as well as government provisions on labour and social protection of unemployed citizens with regard to contribution to Employment.
- 16 February 2011 - Regulation on the State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan
This Regulation defines the role and responsibilities of the State Employment Services under MLSPP in organising delivery of public employment services in the country.

ANNEX 3: Law on Employment

This law determines legal, economical and organizational basis of state policy, as well as government provisions on labour and social protection of unemployed citizens with regard to contribution to Employment.

Chapter I

GENERAL PROVISIONS

Article 1. Key definitions

1.0. Key definitions used in this Law shall have the following meaning:

1.0.1. Employment - gainful (income earning) activity of citizens of the Republic of Azerbaijan, as well as stateless persons and foreigners (hereinafter - citizens) with permanent residence in Azerbaijan which is not contrary to the legislation of the Azerbaijan Republic

1.0.2. temporary employment - socially efficient activity of citizens within a certain period;

1.0.3. able-bodied population in working age - between the lower and upper age limit and are in a position to carry out any labor activity stipulated by the legislation of the Republic of Azerbaijan;

1.0.4. unemployed citizen - people without a job and financial gain, ready to work and registered as a jobseeker at the relevant executive body, able-bodied person in working age;

1.0.5. vacancy- a vacant workplace of employers requiring workforce;

1.0.6. self-employment – the act of generating one’s income independently by able-bodied people;

1.0.7. labor market – an integration of supply and demand for labor force;

1.0.8. quota – minimum number of work places (workers) defined by the relevant executive authorities for employers to provide people, who in need of special social protection and those having difficulties with recruitment, with employment;

1.0.9. first-time job-seekers – previously unemployed able-bodied people, who want to engage in labor activity for the first time.

Article 2. Employment Legislation of the Republic of Azerbaijan

The employment legislation of the Republic of Azerbaijan shall consist of the Constitution of the Republic of Azerbaijan, the present Law, other legal and normative acts and the international agreements, to which the Republic of Azerbaijan is a party.

Article 3. Employed Persons

3.0. Employed persons shall be those, who:

3.0.1. are hired, also work under labor agreement (contract) fulltime or part-time for compensation, as well as those, having other paid jobs (services);

3.0.2. employers, people engaged in individual labor activity, and those who own land shares;

3.0.3. are elected, appointed or whose candidacy is approved for holding paid position;

3.0.4. serve in the Armed Forces of the Republic of Azerbaijan or in other military forces established in accordance with the legislation of the Republic of Azerbaijan;

3.0.5. are not temporarily present at the work place for temporary disability, vacation, additional training, strike, termination of production or other reasons;

3.0.6. foreigners or stateless persons legally engaged in paid labor activity in the territory of the Republic of Azerbaijan;

3.0.7. citizens of the Republic of Azerbaijan legally engaged in paid labor activity outside of the Republic of Azerbaijan.

Article 4. Rules of Granting the Status of an Unemployed Person

4.1. Able-bodied persons at working age, who have no job and income, ready to start to work and registered at the relevant executive authorities as a jobseeker shall have the right to be granted with the status of an unemployed person.

4.2. Citizens shall be registered as a jobseeker at the relevant executive authority on the territory of residence by submitting the identification documents, employment record book (or its substitute), document (if necessary) confirming his/her profession or qualification (diploma). First-time job-seekers shall submit identification documents and documents on education (if necessary).

4.3. The relevant executive authority shall make a decision on granting the status of an unemployed person to the citizen registered as a jobseeker, unless he/she is not offered a suitable job within 11 days from submission of relevant documentation.

4.4. Rules of registration of the unemployed at the relevant executive authority shall be approved by the relevant executive authority.

4.5. People, who have not the right to get the status of an unemployed person, shall be the following:

4.5.1. those, under the age of 15;

4.5.2. citizens having the right to get a pension (with exception of pensions granted for loss of head of the family);

4.5.3. those, who don't visit, due to unreasonable excuse, the relevant executive authority with the aim of looking for a job within 10 days from registration or reject two suitable jobs offered during this period (the citizen cannot be offered the same job twice);

4.5.4. first-time job-seekers;

4.5.5. those, sentenced to imprisonment.

4.6. In case, the jobseeker is not granted the status of an unemployed person, he/she shall have the right to apply to the relevant executive authority again after one month period.

Article 5. Reasonable Job

5.1. The job shall be considered reasonable for the jobseeker when his/her qualification, previous professional experience, health status, possibility of using transport for arrival and departure from the workplace are taken into consideration.

5.2. The maximum distance of reasonable job place from jobseeker's place of residence shall be determined by the relevant executive authority with consideration of capabilities of transportation network at that area.

5.3. After the expiry of the statutory period for payment of unemployment benefits, the jobs that require the new profession (qualification) shall also be deemed as reasonable for those jobseekers, to whom it was not possible to offer reasonable jobs, taking into account their skills, health status and professional experience.

5.4. The paid jobs requiring pre-vocational training and compliant with the requirements of labor legislation shall be deemed as reasonable for the following persons with consideration of their age and other characteristics:

5.4.1. first-time job-seekers, those unemployed for more than 3 years and those having no profession (qualification);

5.4.2. those, who rejected additional training on his/her profession, acquiring the second suitable profession, or mastering new profession after the expiry of the period for payment of unemployment benefit;

5.4.3. those, who have registered at the relevant executive authority for more than 18 months.

5.5. The jobs offered to jobseekers shall not be considered as reasonable, if it requires changing the jobseeker's place of residence without his/her consent, or when labor conditions don't comply with occupational safety standards.

Article 6. Governmental Policy on Employment

6.1. State shall contribute to efficiently and independently chosen employment of citizens.

6.2. Key priorities of governmental policy on employment shall be the following:

6.2.1. ensure equal opportunities to all citizens in implementation of their rights to freely choose labor and employment irrespective of race, nationality, religion, language, gender, marital status, social origin, place of residence, property status, convictions, relationship with political parties, trade unions and other public associations;

6.2.2. protect labor and business initiatives of citizens carried out in compliance with legislations, assist them with the aim of developing entrepreneurship;

6.2.3. create conditions for citizens to freely express their will in selection of the type of labor activity and employment;

6.2.4. ensure social protection of the unemployed, carry out special measures supporting the provision of employment to citizens having difficulties with recruitment;

6.2.5. coordinate the activities in the field of employment with other aspects of socio-economic policy;

6.2.6. encourage the entrepreneurs engaged in generation of new jobs for the citizens in need of social protection and having difficulties with recruitment;

6.2.7. coordinate the activities of state agencies, trade unions and employers' associations of the Republic of Azerbaijan in preparation and implementation of measures focused on provision of employment, in carrying out control over the implementation of such measures;

6.2.8. create employment opportunities for the citizens of the Republic of Azerbaijan outside of the country, as well as for the foreigners and stateless persons in the territory of the Republic of Azerbaijan;

6.2.9. comply with the international labor standards.

C h a p t e r I I

CIVIL RIGHTS AND STATE PROVISIONS ON EMPLOYMENT

Article 7. Civil Rights in the field of Employment

7.1. Citizens shall be entitled to freely choose the type of activity, profession, occupation and place of work.

7.2. Involvement of citizens in forced labor shall be prohibited unless otherwise defined by legislation (under valid court decision, during military service and emergency situations).

7.3. Unemployment of citizens cannot be the basis for their involvement in administrative, criminal and other type of liability.

7.4. Citizens shall be entitled to freely choose the place of work by applying directly to employers, through free mediation of the relevant executive authority or in other forms prescribed by legislation.

7.5. Citizens shall have the right to get free advice, as well as the relevant information concerning vocational guidance, vocational training and additional education in order to choose the type of employment, place of work and work regime at the relevant executive authority.

7.6. Citizens may make a complaint against the relevant executive authority or the actions of its officials to the relevant authorities, as well as to the court in the order defined by legislation.

Article 8. State Provisions in Implementation of Labour Rights

8.1. State shall guarantee the following provisions with regard to implementation of the labor right of each citizen:

8.1.1. free choice of the type of employment, as well as the work of different labor regime;

8.1.2. legal protection of those, who were unreasonably dismissed from work or unreasonably refused to accept the job, in accordance with the Labor Code.

8.2. State shall guarantee the following provisions to jobseekers and the unemployed:

8.2.1. support to the selection of the relevant job or recruitment through mediation of the relevant executive authority;

8.2.2. free vocational guidance, vocational training and education at the referral of the relevant executive authority;

8.2.3. participation of citizens in paid public affairs with consideration of the age and other characteristics;

8.2.4. payment of benefits to those, who were granted with the status of the unemployed;

8.2.5. support to self-employment;

8.2.6. active participation in other events (labor markets, job fairs, new work places and etc.) arranged by the relevant executive authority;

8.2.7. compensate for expenses incurred by citizens when they are sent to work (vocational courses) from one residential settlement to another;

8.2.8. free medical check-up at the state health institutions when recruited or sent for education purposes at the referral of the relevant executive authority.

Article 9. Additional Provisions for the Employment of People in Need of Special Social Protection

9.1. State shall guarantee additional provisions to the categories of citizens in need of social protection and having difficulties with recruitment (young people under the age of 20, parents caring for one or many minor children, parents caring for children with limited health condition, persons with 2 years left to the retirement age, the disabled, persons with limited health condition under the age of 18, those , sentenced to imprisonment, IDPs, veterans of war, families of martyrs) by generating additional work places and specialized institutions, organizations (including institutions and organizations for working by the people with disabilities and limited health condition under the age of 18), arranging training on particular programs and taking other steps.

9.2. The relevant executive authorities shall define the quota for the citizens specified in Article 9.1 of this Law at institutions, agencies and organizations in the established manner.

9.3. The amount of quota shall be set depending on the situation in the territorial labor market and shall not exceed 5 percent of the average staff inventory of the institution.

9.4. The rules of applying the quota to citizens in need of social protection and having difficulties with recruitment, and the list of institutions, to which the quota is not applied, shall be identified by the relevant executive authority.

Chapter III

REGULATION AND ORGANISATION OF EMPLOYMENT

Article 10. Regulation of Employment

10.1. Government renders implementation of following activities with the aim of contribution to the employment of citizens:

10.1.1. Efficient deployment of workforces, creation of new technologies, organization and development of individual entrepreneurship and employment, creation of new work places, as well as finance and lending, investment and tax policy measures aimed at encouraging the application of flexible labour regime, development of other measures assisting the development and maintenance of existing work places;

10.1.2. Improvement of legislation in this area, as well as legal regulation which guarantees the protection of civil rights and interests in the field of employment;

10.1.3. Provision of functioning of the relevant executive authority.

Article 11. Republican and Territorial Employment Programmes

11.1. Relevant executive authorities and local self-governing bodies, employers' associations and trade unions are developing republican and territorial employment programs in accordance with the law, prescribing contribution to the measures on employment.

11.2. The basis of the development of the republican and territorial employment programs prepared by the relevant executive authorities are indicators of economic and social development goals;

11.3. Republican and territorial employment programs are approved and their implementation is rendered by the relevant executive authorities

Article 12. Highly Developed Regions

12.1. Relevant executive authority determines highly developed regions in terms of employment of the population. Increasing the number of workplaces in the highly developed regions is specially promoted.

12.2. Financial assistance is provided to the employers, who are establishing new work places and social infrastructure facilities in the highly developed regions in the manner prescribed by the legislation of the Republic of Azerbaijan

Article 13. Employment of Foreigners and Stateless Persons in Azerbaijan, as well as Citizens of the Republic of Azerbaijan Living in Foreign Countries

Employment issues of foreigners and stateless persons in Azerbaijan, as well as citizens of the Republic of Azerbaijan living in foreign countries are regulated in accordance with the relevant laws and international agreements of the Republic of Azerbaijan

Article 14. Recruitment Mediation Activities

Individuals and legal entities are allowed to engage in the mediation of employment of citizens of the Republic of Azerbaijan in foreign countries with the special permission of the executive authority in the manner prescribed by the legislation.

Article 15. Coordination Committees Supporting Employment

15.1. In order to develop coordinated decisions in the field of employment, republican and local coordination committees are being established by involving the members of trade unions, employers' associations, the relevant executive authority, state and local self-government bodies, as well as members of public unions representing the interests of citizens in special need for social protection.

15.2. Equal number of representatives of each relevant party is appointed to the composition of the Coordination Committee

15.3. Approval of the composition of the coordination committee on employment and the regulation of the activities are carried out by the relevant executive authorities.

15.4. Plenary powers and the responsibilities of the Coordination Committees shall be determined by the relevant executive authority.

Article 16. Involvement of Trade Unions in Employment

16.1. Trade unions are allowed to participate in the preparation of state employment policy and relevant legislative acts of the Republic of Azerbaijan.

16.2. Trade unions and their elected bodies have the following rights in the field of employment:

16.2.1. Making recommendations to employers or their upper bodies on postponement or temporary cessation of measures on massive lay off;

16.2.2. To ensure the protection of civilians in provision of employment, recruitment, dismissal, as well as provision of social privileges and benefits, in accordance with the legislation.

16.3. Observance of the rights and interests of workers is carried out by means of conducting mutual negotiations on making production efficient, improving labour organisation, liquidation of the company, laying off the employees as a result of reduction of the number of employees or staff at the initiative of the employer, except the cases prescribed by the legislation, by giving written notification to the relevant trade union organisations in advance (at least 3 months prior).

16.4. Employers (and their associations) and the relevant executive authorities shall consult employment issues with the trade unions on their proposal. As a result of consultations in accordance with the current legislation, measures on contribution to the employment can be intended in collective contracts (agreements).

Article 17. Involvement of Employers in the Provision of Employment

17.1. Employers are assisting the implementation of the state employment policy on the following basis:

17.1.1. Following the terms and conditions of labour contracts (agreements), which are regulating labour relations in accordance with the legislation;

17.1.2. Implementation of the measures intended in the collective contracts (agreements) for protection of employees in the cases of lay off or end of production;

17.1.3 Creating condition for additional education;

17.1.4. Provision of employment of the persons in special need for social protection in a determined manner.

17.2. Employers have to officially inform the relevant executive authority at least 2 months prior to the reduction of staff or the number of employees by noting information about their profession, occupation, speciality and the amount of salary.

17.3. Employers have to inform the relevant executive authority in the manner determined by the authority about vacancy notice at least within 5 days of the creation of vacancy.

17.4. Employers have to submit monthly report to the relevant executive authority about recruitment on the authority's referral, quota-based recruitment and dismissal.

17.5. The reporting rules are set by the relevant executive authority.

17.6. Employers have the right to recruit the directly applied citizens in the same basis with the applicants on referral of the relevant executive authority, as well as to get information about the status of labour market from the relevant executive authority.

17.7. Privileges are intended in the manner prescribed by law for the employers which recruited more people in need for special social protection than determined by the quota.

17.8. Employers avoiding from the recruitment of disabled people, persons with restricted health condition under the age of 18 and the other persons in special need for social protection on referral of the relevant executive authority to the work places determined by quota, are obliged to transfer the triple amount of average monthly salary to the state budget for each month of unemployment of mentioned persons.

17.9. Employers established by foreign individuals and legal entities, international organisations, as well as the stateless persons functioning in accordance with the legislation of the Republic of Azerbaijan, must fulfil their demand for workforces (including management and specialist positions) primarily with recruitment and preparation of local staff, unless otherwise stipulated by international treaties of the Republic of Azerbaijan..

Article 18. Financing the measures related to social protection of job seekers and unemployed citizens

18.1. Measures on social protection of job seekers and unemployed citizens is financed by the state budget funds and compulsory social insurance contributions in accordance with the State Program. State program is annually approved by the relevant executive authority.

18.2. Bank commission is not applied for transactions on unemployment benefits.

Article 19. Vocational Trainings and Additional Trainings for the Jobseekers

19.1. Additional education and vocational trainings for the job seekers registered in the relevant authority are implemented in the following manners by dispatch of relevant executive authority:

19.1.1. When the jobseeker cannot choose a reasonable job due to lack of a proper profession or specialty;

19.1.2. When it is necessary for the job seeker to change his/her profession (specialty) due to lack of job opportunities matching their professional skills;

19.1.3. When the job seeker loses the ability to work on their previous profession (specialty).

19.2. Job seekers are provided with vocational trainings and additional education at the educational institutions of the relevant executive authority or at other educational institutions in accordance with the agreements concluded with the relevant executive authority.

19.3. Unemployed citizens receiving unemployment benefits or whose benefits are expired, as well as citizens involved in paid public works have right to attend trainings and get a new profession (specialty)

19.4. The relevant executive authority shall determine rules for organisation of vocational trainings for job seekers.

Article 20. Organization of Paid Public Works

20.1. Executive authorities and local self-government bodies set out involvement of jobseekers in paid public work in order to provide temporary employment of the citizens looking for a job on contract at enterprises regardless of ownership, with the proposal and participation of the relevant executive authority.

20.2. Temporary employment contract is concluded with job seekers who want to participate in public work. Unemployed citizens who do not receive unemployment benefits have priority in such contracts.

20.3. Citizens who are engaged in public works shall get the salary according to the actual work performed, but not less than the minimum amount prescribed by the legislation of the Republic of Azerbaijan. Labour legislation and Social Insurance legislation are also applied to unemployed citizens who are engaged in public works and have right to receive unemployment benefits.

20.4. Public works are funded by the enterprises, which provide these works or financed by involvement of state budget.

20.5. The relevant executive authority shall determine rules for organisation of public works.

Chapter IV
SOCIAL WELFARE

Article 21. Provisions for Social Aid

21.1. Government provisions for the unemployed citizens who lost their job, as well as first-time job seekers or citizens returning to employment after a significant gap, are the following:

21.1.1. Provision of benefits for the laid off workers;

21.1.2. Provision of benefits during attendance at vocational trainings and getting additional education;

21.1.3. Provision of benefits for the citizens granted the status of unemployed;

21.1.4. Involvement in paid public works;

21.1.5. Compensation of expenses related to voluntary movement from a settlement to another for employment by the relevant executive authority;

21.1.6. Additions to the unemployment benefits and pensions for the children under the protection of unemployed citizens.

21.2. The period of receiving pension or unemployment benefits, duration of attendance at the paid public works, as well as movement from a settlement to another for employment with the appointment of relevant executive authority are included to the total work experience, in the manner prescribed by legislation.

21.3. All the types of unemployment benefits and other payments are indexed in the manner prescribed by legislation.

Article 22. Provisions for laid off employees

22.1. Provision of benefits for laid off employees in the manner prescribed by the Labour Code of the Republic of Azerbaijan, in case of termination of employment contract according to the implementation of measures on liquidation and reorganisation of legal entities, as well as reduction of number of staff.

22.2. Laid off employees shall get the right to receive benefits by granting the status of unemployed, if they are not provided with an appropriate job within the statutory period.

22.3. Benefits shall be paid in the manner determined by the legislation, if the legal entities have no enough fund for reckoning.

Article 23. Amount of benefits given to the citizens during vocational trainings and additional education

23.1. Following amount of benefits are received by employees attending vocational trainings and receiving additional education with the appointment of relevant executive authority:

23.1.1. 70 percent of average monthly wage calculated for last 12 months in the latest workplace for the employees who have had paid work not less than 26 calendar weeks within the previous 12 months of registration (hereinafter – commencement of unemployment) at the relevant executive authority as a job seeker, but more than the average monthly wage in the country, and not less than the minimum amount of pension (hereinafter - minimum amount of the approved benefit) approved by the relevant executive authority;

23.1.2. The minimum amount of the approved benefits for first-time job seekers, citizens returning to employment after a significant gap (more than 1 year), and who has had paid work not less than 26 calendar weeks within the previous 12 months of commencement of unemployment;

23.1.3. the amount of 100 percent of the average monthly wage for those who lost their working ability as a result of accident or occupational disease regardless of years of work experience calculated for the last 12 months in the latest workplace, but more than the average monthly wage in the country, and not less than the minimum amount of benefit approved by the relevant executive authority;

23.1.4. The rules of calculation of the benefits for the cases of mandatory unpaid leave of group of employees as a result of operational shutdowns within the 12 months preceding commencement of unemployment at the enterprises which are not the fault of employers, and for the employees who are paid for less than 26 calendar weeks within the 12 month for the same reason, shall be determined by the relevant executive authority;

23.2. The amount of the benefits given to people who are in charge of children under the age 18, shall be increased by 10 percent per each child, but not more than the 50 percent of the benefit.

23.3. The relevant executive authority shall determine rules for payment of benefits.

Article 24. Rules of determination of the amount of unemployment benefits

24.1. When the citizens granted with the status of unemployed get a job not less than 26 calendar weeks within the 12 months preceding commencement of unemployment, their unemployment benefits are determined in the amount of 70 percent of average monthly wage calculated for last 12 months in the latest workplace.

24.2. The rules of calculation of the unemployment benefits for the cases of mandatory unpaid leave of group of employees as a result of operational shutdowns within the 12 months preceding commencement of unemployment at the enterprises which are not the fault of employers, and for the employees who are paid for less than 26 calendar weeks within the 12 month for the same reason, shall be determined by the relevant executive authority.

24.3. In all other cases, unemployment benefits are determined in the minimum amount of benefit approved by the relevant executive authority (hereinafter - minimum amount of the approved benefits).

24.4. The amount of the benefits given to unemployed citizens who are in charge of children under the age 18, shall be increased by 10 percent per each child, but not more than the 50 percent of the benefit.

24.5. The amounts, to be deducted by the decision of the court decisions (alimony, compensation and other amounts), not exceeding 50 percent of the prescribed benefits are deducted from the unemployment benefits.

24.6. In all cases, the amount of benefits should not be more than the approved average monthly wage for the Republic, and less than the approved minimum amount of benefits.

Article 25. Terms and duration of the payment of unemployment benefits

25.1. Unemployment benefits for the citizens granted with the status of unemployed is calculated from the date of determination of their status, except the cases of receiving benefits over again.

25.2. Benefit payment period may not exceed 26 calendar weeks during the 12-month period.

25.3. Unemployment benefits for the citizens who are registered in the relevant executive authority after being laid off, as a result of liquidation of legal entities or reduction of number of the staff, change of working conditions, but were not able to be employed within the period of payment of dismissal benefits and the average wage, are calculated from the first day of the expiration of this period.

25.4. Citizens receive unemployment benefits by re-registering once in a month in the relevant executive authority. The day of granting status of unemployed is considered as registration.

25.5. Unemployed citizens get the right of receiving unemployment benefits again, in case of not being provided with an appropriate job within 12 months after registration. In this case, unemployment benefits are determined as the minimum approved amount of the benefits.

25.6. The relevant executive authority shall determine rules for payment of unemployment benefits.

Article 26. The amount of the unemployment benefits for the military personnel released from military formations of the Armed Forces of the Republic of Azerbaijan and other military formations established in accordance with the legislation of the Republic of Azerbaijan

The amount of the unemployment benefits for the military personnel released from military formations of the Armed Forces of the Republic of Azerbaijan and other military formations established in accordance with the legislation of the Republic of Azerbaijan is determined in respect to the Article 24.1 of this Law.

Article 27. Suspension and termination of payment of unemployment benefits

27.1. The relevant executive authority may terminate and suspend the payment of unemployment benefits.

27.2. In the following cases, the payment of unemployment benefits may be suspended for up to 3 months:

27.2.1. when the unemployed citizen refuses to choose one of the two job offers;

27.2.2. when the unemployed citizen is not unreasonably re-registered at the relevant executive authority once in a month for getting unemployment benefits.

27.3. the period of suspension of the unemployment benefits is extracted from the total period and is not included to the total work experience.

27.4. The payment of unemployment benefits may be suspended temporarily in the following cases:

27.4.1. the duration of attendance in the trainings camps of the unemployed citizens with military obligations;

27.4.2. within the period of unemployed citizens' participation in the vocational trainings and receiving additional education with the appointment of relevant executive authority (when the citizens are not provided with appropriate jobs upon completion of the trainings, for reasons beyond their control);

27.4.3. when unemployed citizens who are getting correspondence education in another city are leaving their place of permanent residence for education.

27.5. the period of temporary suspension of the unemployment benefit is not excluded from the total period of appointment of benefit, and this period is added to the total experience period.

27.6. Payment of unemployment benefits will be terminated in the following circumstances:

27.6.1. when the citizen is receiving unemployment benefits by submitting fraudulent documents;

27.6.2. when the unemployed citizen is employed without informing the relevant executive authority while receiving unemployment benefits;

27.6.3. when the unemployed citizen is sentenced to imprisonment;

27.6.4. when the unemployed citizen is already employed, or called up for military service, or dies;

27.6.5. when an unemployed citizen is not attending the vocational trainings, appointed by the relevant executive authority, without any reasonable excuse, or refuses to choose one of the two offered affordable jobs after graduation;

27.6.6. when the unemployed citizen is retired in accordance with the relevant legislation.

Article 28 Voluntary unemployment insurance

Citizens' voluntary unemployment insurance is carried out in accordance with the relevant legislation.

ANNEX 4: Statute of the State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan

APPROVED

by the Decree of the President of the Republic of Azerbaijan No. 386 dated February 16, 2011

I. General provisions

1.1. State Employment Service under the Ministry of Labour and Social Protection of the Republic of Azerbaijan (hereinafter – Service) is an executive body in charge of social protection measures of jobseekers and unemployed citizens.

1.2. Service is guided by the Constitution of the Republic of Azerbaijan, Laws of the Republic of Azerbaijan, Presidential Decrees and Orders of the Republic of Azerbaijan, Decrees and Orders of the Cabinet of Ministers of the Republic of Azerbaijan, International Agreements supported by the Republic of Azerbaijan, Statute of the Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan, Orders and Decrees of the Minister of Labour and Social Protection of Population of the Republic of Azerbaijan, and by this Statute.

1.3. Service is functioning directly and within their competence in cooperation with all employers operating in the territory of the Republic of Azerbaijan, as well as international and non-governmental organizations, central and local executive bodies, local self-government bodies, irrespective of the legal form of ownership and organization while performing official duties and implementing their rights stipulated in this Regulation.

1.4. Service owns an independent balance, state property at the disposal in conformity with legislation, treasury and bank accounts, seal with the national emblem of the Republic of Azerbaijan and its name engraved on, stamps and forms.

1.5. Maintenance expenditures and functioning of the Service is funded by the state budget of the Republic of Azerbaijan and other official sources provided by the law.

1.6. Service is located in Baku.

II. Areas of activity of the Service

2.1. Areas of activity of the Service are mentioned below:

2.1.1. Ensures implementation of the measures stipulated in the legislation in the field of employment in the Republic of Azerbaijan;

2.1.2. Provision of jobseekers and unemployed citizens with appropriate jobs, involvement in paid public works, and implementation of appropriate measures with a view to vocational trainings and additional education in the manner prescribed by the legislation; 2.1.3. Provision of determination and payment of unemployment benefits in accordance with the legislation;

2.1.4. Implementation of appropriate measurements prescribed by the legislation, in order to provide jobs for citizens with special social needs and who have difficulty in finding a job with the vacancies at enterprises and organisations established in accordance with the quota;

2.1.5. Collecting data about vacancies from the employers and making use of them;

2.1.6. Carrying out active employment measures (labour markets, labour exchanges etc.) with the aim of strengthening social protection of jobseekers and unemployed citizens;

2.1.7. Performs other activities defined by legislation.

III. Responsibilities of the Service

3.1. Responsibilities of the Service in accordance with the areas of activity defined by this statute are the following:

3.1.1. Providing implementation of responsibilities defined by the Law “On employment” of the Republic of Azerbaijan;

3.1.2. To prepare draft employment programme of the republic defining annual action plan of the Service and submit to the Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan;

3.1.3. Analysing demands and proposals for workforce, making forecast on labour resources, movement of the workforce, and submitting proposals by examining current state of the labour market.

3.1.4. Making forecasts on financing of measures on social protection of jobseekers and unemployed, providing implementation of measures stipulated in relevant programmes;

3.1.5. Rendering assistance to the citizens in reasonable selection of job and on employment, providing implementation of measures on vocational trainings and additional education for the jobseekers;

3.1.6. Provision of the registration of jobseekers and unemployed citizens in accordance with the legislation, and assignment of unemployed status with the purpose of support to the employment;

3.1.7. Establishment of career counselling services for jobseekers and unemployed citizens, regional educational centre booths and labour exchanges;

3.1.8. Providing involvement of the individuals to paid public works in enterprises on contract, regardless of the form of ownership, in order to provide temporary employment of jobseekers together with the local executive authorities and self-government bodies.

3.1.9. Suspend the payment of unemployment benefits in the cases provided by the legislation and take measures concerning termination of the payment of unemployment benefits;

3.1.10. Publishing information in the mass media on employment of the population and on the status of labour market;

3.1.11. Providing oversight to the application of administrative penalties in accordance with the legislation, as well as to the transfer of related funds in the cases intended in the legislation;

3.1.12. Submitting statistical report on the employment of population accordingly to the relevant state agencies;

3.1.13. Strengthening logistical base of the Service, as well as submitting proposals on provision of modern information technologies;

3.1.14. Organising appropriate reception of citizens, as well as ensuring review process of applications, complaints and proposals in the manner and duration prescribed by the legislation;

3.1.15. Implementation of other related responsibilities in accordance with the legislation;

IV. Rights of the Service

4.1. The service has the following rights to perform their responsibilities:

4.1.1. Provision of the citizens with special social needs and who have difficulty in finding a job with a position at the workplaces according to the quota, in the manner prescribed by legislation, as well as taking appropriate measures within their authority in the transfer of relevant funds in cases prescribed by the legislation;

- 4.1.2. Submitting relevant proposals about improving the “Law on Employment” of the Republic of Azerbaijan to the Ministry of Labour and Social Protection of Population;
- 4.1.3. Implementing coordination of the data submitted by employers;
- 4.1.4. To give necessary data (documents) to state and local self-government bodies, individuals and legal entities, as well as obtaining similar data (documents) from them, within their authority;
- 4.1.5. Representing the Ministry of Labour and Social Protection of Population in local and international events, within their authority;
- 4.1.6. Involving foreign and local experts, consultants in their activities in the manner prescribed by legislation;
- 4.1.7. To collaborate with other government agencies within their authority;
- 4.1.8. To require timely submission of the relevant reports from employers in accordance with the "Law on Employment" of the Republic of Azerbaijan;
- 4.1.9. To give feedback relevant to their areas of activity within their authority, carrying out analysis and generalisation, to prepare analytic materials, submitting proposals;
- 4.1.10. Implementation of measures in the purpose of improving vocational trainings and qualifications of the staff, as well as providing their attendance in the local and international trainings, workshops, conferences and other related events. ;
- 4.1.11. Learning international practice in the field of employment, collaborating with related international organisations and government agencies of foreign countries within their authorities in the manner prescribed by legislation, and carry out informational exchange.
- 4.1.12. Implementation of publication, advertisement-information activities;
- 4.1.12. To implement other rights provided by law.

V. Organisation of activities of the Service

- 5.1. Service apparatus, city, region, employment agencies (hereinafter - local bodies) and the Employment Centre of the Nakhichevan Autonomous Republic, as well as other services providing activities of the Service (trainings centres, etc.) form a unified system of the Service.
- 5.2. Service is managed by the head of the Service, who is appointed and dismissed by the Minister of the Labour and Social Protection of the Population.
- 5.3. Head of the Service is personally responsible for the implementation of responsibilities and functions entrusted to the Service.
- 5.4. Head of the Service has three deputies, appointed and dismissed by the Minister of the Labour and Social Protection of the Population on recommendation of the Head.
- 5.5. The chiefs of the local bodies of the Service are appointed and dismissed by the Minister of the Labour and Social Protection of the Population on recommendation of the Head of the Service.
- 5.6. Service apparatus staff and employees holding administrative posts in local bodies are being recruited in accordance with the "Law on Civil Service" of the Republic of Azerbaijan
- 5.7. Head of the Service is:
 - 5.7.1. Providing the organisation and management of the Service;
 - 5.7.2. Ensures coordination among local bodies of the Service and other related authorities providing their performance, as well as manages practical and methodical assistance for them.

- 5.7.3. Carrying out necessary measures for the vocational trainings and additional education of the staff;
- 5.7.4. Submitting the structure of Service apparatus and local bodies within determined labour remuneration fund and number limitation of employees, as well as cost estimate and staff schedule, for the approval of the Ministry of Labour and Social Protection of the Population;
- 5.7.5. Carries out recruitment within their authority;
- 5.7.6. Approves the statues of the structural units of Service apparatus;
- 5.7.7. Provides appropriate outlay of the funds allocated or the Service;
- 5.7.8. Executes division of functions among heads of structural divisions of the Service apparatus, in accordance with the deputy chiefs of Service and approved staff schedule;
- 5.7.9. Raises the issue for Service apparatus and local authorities to take disciplinary measures on workers in front of the Ministry of Labour and Social Protection of the Population, as well as ensuring implementation of measures on encouraging employees of local bodies and staff of the Service.
- 5.7.10. Gives mandatory commands to the staff of Service;
- 5.7.11. Representing the Service without power of attorney in relation with the state and self-government bodies, trade unions and employers, as well as in relation with individuals and legal entities;
- 5.7.12. Submitting proposals to the Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan on improving the structure and strengthening the logistical base of the Service;
- 5.7.13. Regularly reporting to the Ministry of Labour and Social Protection of Population on the functioning of Service;
- 5.7.14. Reporting to the Ministry of Labour and Social Protection of Population on the expenditure of the state budget funds allocated to the Service;
- 5.7.15. Considering complaints lodged on decisions taken by the officials of the Service, and in case of reasonable complaints making decision to change or cancel them;
- 5.7.16. Performs other duties in accordance with the law.
- 5.8. Establishment of a Council with the aim of organising functioning of the Service. Head of the Service (chairperson of the Council), deputy chiefs and the other senior officers of the Service are included in the Council.
- 5.9. Number and list of members are approved by the Minister of the Labour and Social Protection of the Population with the submission of head of the Service.
- 5.10. The main activity of the Service and issues related to the improvement of the Council are reviewed, structural units of the service and functioning of the local agencies are discussed, and relevant decisions are made accordingly.
- 5.11. Decisions of the Council are documented by protocol and approved by the head of the Service.
- 5.12. In case of disagreement among the members, the chairperson of the Council informs the Minister of the Labour and Social Protection of Population and accordingly implements his/her decision.
- 5.15. The working procedures of the Council are determined by the Minister of the Labour and Social Protection of Population.

ANNEX 5: Organigramme of State Employment Services:

