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KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT – AZERBAIJAN 2022

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EXECUTIVE SUMMARY

In July 2022, the European Union (EU) and Azerbaijan signed a memorandum of understanding on a strategic partnership in the field of energy and enhancing bilateral relations. Azerbaijan is a strategic energy partner for the EU, supplying around 4.3% of the EU's oil imports in 2021 and playing a pivotal role in bringing gas from the Caspian Sea to European markets. The EU supports Azerbaijan's economic diversification and promotes reforms to improve the business climate in the country, agriculture, rural development and vocational education and training (Council of the European Union, 2022a).

In June 2022, the new ''Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026'' was adopted, which includes relevant key performance indicators (KPIs) for the different sectors. Important priorities were set for the education sector, the objective being to increase access and quality to pre-school, general and higher education. The aim is also to improve access to and the quality of vocational education, focusing on the requirements of the labour market, integration of employers into the vocational education system, etc.[1] USD 2.28 billion are allocated from the state budget for education in 2022, which is USD 356.8 million or 18.5% more than the allocations for 2021. The education allocations will comprise 13% of the 2022 state budget, 1.5% more than in 2021.

Five key priorities were set for the VET sector as part of the new ''Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026''. The objective is to expand the coverage of vocational education, including higher technical VET, establish additional state-of-the-art and new VET centres, develop VET curriculums in close cooperation with relevant sector industries, develop short-term upskilling training programmes and gradually transition successful VET schools to per-capita funding.

New presidential decrees from November 2021 amending the Law on Education and the Law on Vocational education will allow a credit transfer system to be implemented in higher vocational education and accumulated credit points to be recognised in higher education. In December 2021, the Presidential Decree approved a new structure for the Ministry of Education, establishing 12 regional departments based on the rayon education departments. In July 2022, a Presidential Decree was signed renaming the Ministry of Education as the Ministry of Science and Education (MoSE). The Decree also paves the way forward for establishing the State Agency for Science and Higher Education and the State Agency for Preschool and General Education under the MoSE.

The objective of the Ministry of Labour and Social Protection of the Population (MSLPP) is to strengthen the role of the State Employment Agency (SEA) in the organisation of short-term training courses (up to 6 months) for unemployed people and job seekers. In 2021, citizens in Azerbaijan continued to rely on the Centralised Electronic Information System of the MLSPP, which provides information on 'Employment Contract Notification', 'Targeted Assistance', 'Disability', 'Insurance', 'Pensions', 'Employment', 'e-Reference' and other areas. In addition, electronic services continue to be provided to the population in these areas through various subsystems and platforms available through the MLSPP.

In September 2022, a new project was launched with the cooperation of the SEA, the Youth Fund of the Republic of Azerbaijan and the Union of Student Youth Organisations of Azerbaijan. Within the framework of the project, 1 500 unemployed young people who have completed higher or secondary education and are under the age of 29 will have the opportunity to participate in training and internship programmes. Furthermore, in October 2022, a new strategic concept was developed under the cooperation framework between the Agency for Sustainable and Operational Social Security (DOST) and the SEA. Under the concept framework, several employment services are planned to be provided by career counsellors in DOST centres.

[1] Key performance indicators for the education sector are available on the website of the Ministry of Science and Education, as part of new new 'Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026'

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

The military confrontation in 2020 between Armenia and Azerbaijan was the most severe conflict escalation in the last 25 years. The second Nagorno-Karabakh conflict lasted 44 days and ended with the Russian-brokered ceasefire agreement in November 2020 (European Parliamentary Research Service, 2022). The armed confrontation that also took place in 2022 along the un-delimited and un-demarcated Azerbaijan-Armenia border demonstrates the fragile situation and highlights the need for renewed efforts for a negotiated, comprehensive and sustainable settlement. The EU has been actively engaged in promoting peace talks between the two sides through the direct involvement of the President of the European Council, the continued efforts of the High Representative/Vice President, and the engagement and support provided by the EU Special Representative for the South Caucasus and the crisis in Georgia (Council of the European Union, 2022b).

In the second half of 2021, negotiations for the new draft comprehensive EU-Azerbaijan agreement resumed. Exchanges at a technical level between the negotiating teams are ongoing based on the respective negotiating positions (Council of the European Union, 2022b). In July 2022, the EU and Azerbaijan signed a memorandum of understanding on a strategic partnership in the energy field to enhance bilateral relations[2].

Demographics

At the beginning of 2022, the population of Azerbaijan was approximately 10 million, of whom 53% live in urban areas and 47% in rural areas. The population in the capital, Baku, reached 2.3 million. From 2006 to 2020, the average annual population growth rate was around 1.2%, one of the highest in Europe. Between 2000 and 2020, the urban population increased by approximately 23% and the rural population by 17%, indicating accelerated urbanisation processes (State Statistical Committee, 2021a). However, this process is not uniform: Absheron and Baku are predominantly urban, while most economic regions remain rural.

The Republic of Azerbaijan includes the Nakhichevan Autonomous Republic (NAR)[3], 10 economic regions (İqtisadi Rayonla), 66 regions (rayonlar) (sometimes referred to as districts), 79 towns, 261 settlements (qəsəbələr) (small villages) and 4 246 rural settlements (kənd yaşayış məntəqələri).

The country has a young population. At the beginning of 2022, young people made up 2.3 million or 22.1% of the population. 50.5% of young people live in urban areas, and 49.5% live in rural areas (State Statistical Committee, 2022b). The relative size of the 15-24 age group was 18.7% in 2021[4]. The high proportion of young people in the population's overall structure is reflected in the increase in the share of young people in the working-age population.

Azerbaijan hosts many internally displaced persons (IDPs) due to the ongoing conflict with Armenia over the Nagorno-Karabakh territory (which has been ongoing for 30 years now). According to the Internal Displacement Monitoring Centre[5] (iDMC), at the end of 2021, there were 654 839 IDPs[6]. The number of new displacements due to conflict and violence is reported to be 84 000[7] for 2020 (iDCM,

[2] European Commission press release, EU and Azerbaijan enhance bilateral relations (europa.eu), 18 July 2022

[3] Nakhchivan Autonomous Republic (preslib.az); Naxcivan | History & Geography | Britannica, accessed November 29, 2022

[4] For more information on trends see Statistical Annex AZERBAIJAN

[5] About us | IDMC (internal-displacement.org)

[6] Azerbaijan Displacement Data Azerbaijan | IDMC (internal-displacement.org).

[7] This figure refers to the number of movements, and not people, as individuals can be displaced several times, and the data that the iDMC collects does not always reflect this.

2021). In 2020, net migration was around 1.1%, accounting for 167 000 arrivals of foreigners requesting permanent residence, while about 56 000 permanently left the country.

Key economic developments

Azerbaijan continues its fight against the COVID-19 pandemic and its consequences on different industries. Growth accelerated briskly in 2021 and early 2022 due to high oil prices and strong consumer demand. Real GDP increased by 5.6% in 2021. Hydrocarbon GDP increased by 1.8% due to the relaxation of the OPEC+ restrictions and gas exports. Non-hydrocarbon GDP rose by 7.2%, with activity accelerating in contact-intensive industries in response to easing social restrictions. The war in Ukraine has so far had a limited impact on the real economy, and non-oil growth continued to be strong in January-April 2022 (IMF, 2022, p.3).

The IMF estimates a GDP growth of 1.7% in 2022; the Asian Development Bank (ADB) estimates a growth of 2.5% in 2022. The EBRD remains optimistic in its projections, estimating the growth of 3.2% in 2022 (EU Business Climate Report, 2022, p. 15). Mining and the oil and gas industries remain the backbone of the Azerbaijani economy, providing about 90% of total exports and about 35% of GDP. Around 60% of the state budget comes from the sector (EU Business Climate Report, 2022, p. 20). The economy has recovered rapidly from the pandemic, but inflation and the war in Ukraine are creating new challenges. The Central Bank of Azerbaijan has forecast annual inflation of 12.5-12.8% in 2022.

Azerbaijan's economy benefits from the higher energy prices resulting from the war in Ukraine. SOFAZ oil revenues jumped by over 60% in 2021, and non-oil revenues increased with more substantial economic activity. Total budget expenditure increased only moderately, despite the increase in Covid-related spending (from AZN[8] 261 million to over AZN 800 million). The overall fiscal balance improved by 10% of GDP, reaching a surplus of 4% of GDP in 2021. The non-oil primary deficit improved significantly (over 7% of non-oil GDP). General government and government-guaranteed debt decreased to 41.8% of GDP in 2021 from 54% of GDP in 2020 (IMF, 2022). A future boost is expected in the green economy. Azerbaijan's key objective around the 2030 strategic vision is to ensure sustainable and green growth, including transforming its oil sector.

In January-March 2022, the income of the country's population increased by 18.9% in nominal terms compared to the same period of the previous year. As a result, the average income per person was AZN 1593.20. The salary in the oil and gas sector was AZN 3022.20, and in the non-oil sector, it was AZN 724.50. The average wage of employees working for state enterprises was AZN 714.80, while the average wage of workers working in private enterprises was AZN 830.80.[9]

The country has an ambitious agenda to diversify its economy, giving a more significant role to non-oil sectors. In June 2022, the new ''Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026'' was adopted, which includes relevant key performance indicators for different sectors. In addition, a bill 'on the development of micro, small and medium-sized enterprises' in September 2022 was submitted for discussion at the Parliamentary Committee on Economic Policy, Industry and Entrepreneurship meeting. According to the bill, the main objective of state policy is to create favourable conditions, increase competitiveness, stimulate investment and innovation activity, and ensure the sustainable development of micro, small and medium-sized enterprises.

Key social issues

Since the early 2000s, Azerbaijan has remarkably reduced poverty and increased shared prosperity. High economic growth, rising employment and high real wage increases all contributed to this decline in poverty and the expansion of the middle class. However, the COVID-19 pandemic has impacted poverty reduction, and many households have experienced job losses and financial hardships, while

[8] 1 AZN equals 0.54 EUR, Exchange rate on 16 January 2023

[9] For more information see Social sector development indicators (first quarter of 2022) (economy.gov.az)

vulnerable households have been pushed deeper into poverty. The pandemic has also seriously impacted human capital through disruptions to many essential services, including education[10].

In 2021, social benefits and social welfare scholarships were paid to 752 000 people, 466 000 of whom were provided with social benefits and 286 000 people with monthly presidential social welfare scholarships. As a result, AZN 588 million were spent on social benefits, and AZN 417 million on social welfare scholarships, which is 28% more than in 2020. In addition, 6 200 children with disabilities were involved in the ‘‘Organisation of social rehabilitation centres for children with disabilities’’ project, implemented by the Social Services Agency. Over the past three years, electronic systems for granting social benefits and scholarships have been launched, and 220 000 allowances and fellowships have been proactively awarded through the electronic system, including 120 000 in 2021.

The Law on the Subsistence Minimum for 2022 sets the subsistence minimum at AZN 210 (AZN 196 in 2021, an increase of 7.1%) – for the working population AZN 220 (AZN 207 in 2021, an increase of 6.3%) and for pensioners AZN 176 (AZN 162 in 2021).

USD 2.14 billion is forecast for social protection and welfare in 2022, which is USD 29.5 million or 2.4% less than the figure for 2021. Social protection and welfare allocations will comprise 12.2 % of the state budget and constitute 3.9% of GDP. Overall, the share of social protection and social welfare allocations in the state budget has increased by 3% (USD 0.83 billion) in the last five years (2018-2022) (UNICEF Azerbaijan, 2022, p. 8).

[10] Education is key to sustained poverty reduction in Azerbaijan (worldbank.org), accessed 2 December 2022

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

Important priorities were set for the education sector as part of the new ‘‘Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026’’. The objective is to increase access to and the quality of pre-school education, increasing the share of one-to-five-year-olds enrolled in preschool education to 50%. In addition, the objective is to apply a competency-based curriculum in general education, with resources allocated to improve PISA performance. The aim is also to increase access to and the quality of vocational education, focusing on the requirements of the labour market, integration of employers into the vocational education system, etc.[11].

The State Programme on Increasing the International Competitiveness of the Higher Education System 2019-2023 aims to develop state-of-the-art courses based on the latest educational technology and introduce dual diploma programmes. Although the programme's focus is higher education, vocational education will benefit from the supply of highly trained teachers and engineers[12].

In 2021, 51 higher education institutions were operational in Azerbaijan, of which 40 were state institutions, and 11 were non-state institutions. 45 986 students study at higher education institutions, 40 124 of whom at state institutions and 5 862 at non-state higher education institutions (State Statistical Committee, 2022a, p. 149). In 2021, 94 researchers were granted a scholarship to study at the doctoral level in foreign universities under the State Programme. Overall, 127 postgraduate students study at 62 universities in 20 countries in six priority specialities under the State Programme.

In December 2021, a new structure for the Ministry of Education was approved via Presidential Decree, and 12 regional departments were established based on the *rayon* education departments. In July 2022, the Presidential Decree was signed, renaming the Ministry of Education as the Ministry of Science and Education. The Decree also established the State Agency for Science and Higher Education and the State Agency for Preschool and General Education under the Ministry of Science and Education.

Education expenditure

USD 2.28 billion were allocated from the state budget for education in 2022, which is USD 356.8 million or 18.5% more than the allocations for 2021. Education allocations will make up 13% of the 2022 state budget, 1.5% more than the figure for 2021. Based on forecasts, it will equal 4.5% of GDP and 0.5% more than the 2021 figure (UNICEF Azerbaijan, 2022, p. 1). A trend of increasing education expenditure has been observed since 2019. In 2019, Azerbaijan's public expenditure on education was 2.7% of the GDP, up from 2.5% in 2018. This trend confirms the Government's commitment to improving the country's human capital. In addition, public expenditure on education as a percentage of total public expenditure also increased and in 2021 stood at 11.5%, while in 2010, it was 8.7%.

In early 2021, the Ministry of Finance introduced a mid-term expenditure framework tool to increase the effectiveness and productivity of state budget expenditure. The expenditure framework encompasses strategic, action plans with targets and performance indicators, as well as the programmes to be implemented to achieve these goals for the education, agriculture and environmental protection sectors. These initiatives are described as a significant shift towards results-based budgeting (UNICEF Azerbaijan, 2022, p. 9).

[11] Key performance indicators for the education sector are available on the website of the Ministry of Science and Education, as part of the new ‘Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026’, https://edu.gov.az/az/announcements/18722-1, accessed on 31 October 2022.

[12] http://www.twinning4he.edu.az/

Access, participation and early school leaving

The net enrolment rate in secondary education (ISCED level 2-3) stood at 87.3% in 2021 (86.9% in 2020). In addition, the share of VET students (ISCED 3) in 2021 was 37.9%, down from 43.2% in 2020 and 47.2% in 2019. The total number of students in Azerbaijan has increased, reaching 2.033 million in the 2019/20 academic year. Most (1.61 million) were enrolled in the general education system. In addition, there were 164 000 vocational education students and 56 000 specialised secondary education students. In the same academic year, the number of students in higher education was 196 000, an increase of 49 000 since 2010[13]. Participation in secondary VET is among the lowest in the Eastern Partnership (EaP) region, with 12.4% in 2020, compared with around 30% in Ukraine and 40% in Moldova and Belarus.

The gross enrolment rate in tertiary education is relatively low (27.24% in 2017)[14], especially compared with the average of 33.4% for higher middle-income countries.

Azerbaijan has moderate levels of educational attainment among its adult population. In 2020, most adults (aged 25-64) had a medium-level education (76%), 16.6% had completed higher education studies, and 7.4% had a primary education or lower.

Participation in education and training is a measure of lifelong learning, and it covers participation in formal and non-formal education and training. In 2021, this indicator stood at 7.4% for the 25-to-64 age group[15].

PISA results

Students' success in the later stages of education and throughout their lives is strongly influenced by their general basic education performance. The Organisation for Economic Co-operation and Development's 'Programme for International Student Assessment' (PISA), organised every three years since 2000, tests the proficiency level of 15-year-old schoolchildren in reading, mathematics and science. Azerbaijan participated in the PISA 2018 research, testing 6 872 schoolchildren from Baku. The PISA survey showed that Baku (Azerbaijan) students ranked below the OECD average in all main subjects. Only 2% of students scored Level 5 or higher in mathematics (OECD average: 11%). (OECD, 2022)

In the post-Soviet region, Azerbaijan does better than Georgia and Kazakhstan, but only marginally. The average score in mathematics, science and reading was 402.3, ranking the country in 62nd place out of the 78 countries participating in PISA. Overall, the survey of the students showed the following underachievement rates: 60.4% for reading, 50.7% for mathematics and 57.8% for science. However, the survey only covered Baku, and the results would likely have been even poorer if it had covered the rest of the country. The PISA results also highlighted a lack of creative-thinking skills and weak school discipline (Gulylev, 2021).

Young people not in employment, education or training (NEET)

The share of young people not in education, employment or training ('the NEET rate') represents the number of young people aged 15 to 24, not in education, employment or training as a percentage of the total youth population. In Azerbaijan, the share of NEETs has been fluctuating over recent years, peaking at 22.5% in 2010 and reaching 19.5% in 2020. There is a visible NEET gender gap of 5.8% in 2020 in Azerbaijan, with more women being NEETs than men. In 2020, 16.8% were men, and 22.6% were women. The indicator is in line with the youth unemployment rate regarding levels and gender gap. However, since 2020 and the outbreak of the COVID-19 pandemic, young people's transition from school to work has faced additional challenges[16]. The Employment Strategy adopted in 2018 sets

[13] State Statistical Committee of Azerbaijan, last update on 21 October 2020, available at https://www.stat.gov.az/source/education/?lang=en, accessed on 3 September 2021, 'Main indicators' section.

[14] http://uis.unesco.org/country/AZ

[15] See Statistical Annex.

[16] In 2021, EU set the NEETs target at 9.

important targets for young people, with the objective that by 2030 the proportion of young NEETs should have fallen to 15%. The EU target for 2030 is to achieve a 9% NEET level.

2.2 Initial VET and adult learning

Strategic and legal framework for initial VET and adult learning

Five key priorities were set for the VET sector as part of the new ''Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026''. The objective is to: 1) expand the coverage of vocational education, including higher technical VET; 2) establish additional state-of-the-art and new VET centres; 3) develop VET curricula in close cooperation with relevant sector industries; 4) develop short-term upskilling training programmes; and 5) gradually transition successful VET schools to per-capita funding[17].

These five priorities represent the continuity of the objective set in the Strategic Roadmap for the Development of VET, adopted in 2016. In parallel with the implementation of the roadmap, new monitoring and evaluation mechanisms started to emerge. One of the key targets of the strategic roadmap was to increase participation in VET programmes by 50% by 2020[18], which remains a challenge in 2022.

In April 2018, a Vocational Education Act was adopted. To implement the VET reforms envisaged in 2019 and 2020, the Government actively developed secondary legislation covering various aspects of VET, including the development of occupational standards, the admission rules to vocational education institutions, the assessment of students and the transition from multiple levels of study. Furthermore, the Vocational Education Act and the Strategic Roadmap for the Development of VET in the Republic of Azerbaijan prioritise providing a relevant legislative framework for adult education and further training courses in vocational education institutions.

The Republic of Azerbaijan Decree on a National Qualifications Framework for Lifelong Learning (AzQF) was adopted in July 2018. The AzQF supports Azerbaijan's convergence with the European Higher Education Area and is aligned with the European Qualifications Framework for lifelong learning. The AzQF includes qualifications for general education, initial vocational education and training, specialised secondary education (sub-bachelor education), higher education and further education/adult learning. Qualifications can be obtained through formal, non-formal and informal learning.

VET governance and financing arrangements

Initial VET (IVET) is the responsibility of the MoSE, the central executive body governing the country's education system. It participates in the development and implementation of state policy for education. IVET in Azerbaijan is a formal education system available to students after general education; this gives entrance to the world of industry and work. After year 9 of schooling, students can choose to proceed by either completing general secondary education or starting vocational education. The study period at vocational institutions lasts about three years, depending on the programme. IVET is part of the continuing education system and operates in two forms, as vocational schools and vocational lyceums

There are 75 formal vocational education institutions in Azerbaijan (2022 data); 16 vocational lyceums, 22 vocational schools, 25 vocational training centres, 9 vocational schools located in prisons, and one private vocational school. In total, these have approximately 24 600 students studying over 154 different occupations. In addition, there are approximately 4 700 educators in the VET system.

[17] Key Performance Indicators for the education sector are available on the website of the Ministry of Science and Education, as part of new new "Socio-economic development strategy of the Republic of Azerbaijan for 2022-2026", https://edu.gov.az/az/announcements/18722-1, accessed on 31 October 2022.

[18] For more information on the strategic targets, see the Strategic Roadmap for VET (2016), p. 16, available at https://monitoring.az/assets/upload/files/6381dda5389fb17755bbb732a9c7d708.pdf

Since April 2016, with the establishment of the State Agency on Vocational Education (SAVE), the VET Governance in Azerbaijan has been evolving. After a relatively short period, SAVE managed to position itself as the leading institution in the field, focusing on Vocational education institutions under the MoSE responsibility. Although SAVE has the authority to manage the VET institutions under the MoSE, decision-making and policy implementation are coordinated with either the MoSE or other related government institutions. Thus, for example, the financing or construction of new VET institutions, approval of VET curricula, and monitoring and quality assurance of private or public VET institutions are not implemented by SAVE. This is affecting the development of adult education in Azerbaijan, which is not coordinated or institutionalised to support the lifelong learning of citizens effectively.

The two recently established bodies that will play an essential role in further implementing the AzQF are the Lifelong Learning Unit at the Institute of Education and the Education Quality Assurance Agency. The Education Institute develops educational standards, curricula and assessment issues, and the Lifelong Learning Unit is the focal point for the AzQF.

The MoSE allocates resources for VET schools by considering various factors, such as school size, the number of students, expenditure for the school, etc. However, the allocation of resources does not consider the infrastructure and material base needs. One of the strategic targets identified in the VET strategic roadmap is to build an outcome-based robust financing system. The objective is to incorporate a performance-based rewards mechanism for vocational education institutions and teaching staff to ensure the efficient use of funds and improve the quality of VET provision. A Fund for the Development of VET was established in August 2020. Its mandate includes providing financial assistance for the development of vocational education.

Since the establishment of SAVE, the business sector has been seen as an important partner in VET development. There is a strong wish to involve representatives of the world of work at all levels. Cooperation is stimulated at a national level by involving social partners in consultations and strategic decision-making; at the sectoral level by identifying emerging training needs and the development of occupational standards and qualifications; and at the local level with employers directly involved in providing opportunities for work-based learning to students and teachers, in the assessment of graduates, and on the boards of VET providers. However, this approach is evolving and will take time before it becomes a systematic solution.

The Council on State Support to NGOs under the Auspices of the President of the Republic of Azerbaijan was established in 2007. In 2020, the Council was transformed into the Agency for support to NGOs. Furthermore, the Agency plans to include VET on its list of topics for future grant allocations, allowing local NGOs to apply for and implement projects in VET.

Qualifications, validation and recognition

New presidential decrees from November 2021 about changes to the ‘Law on Education’’ and ‘‘Law on Vocational education’ provide for the implementing a credit transfer system in higher vocational education and recognising accumulated credit points in higher education. Implementing a credit system in higher vocational education requires implementing a credit system at all levels of vocational education. Introducing a credit system and aligning the education content in programmes to the system is a significant challenge.

Informal and non-formal learning was introduced as a concept in Azerbaijan in the Law on Education adopted in 2009. The latest additions to the Law (Article 17.4 in 2018 and 2020) raised the possibility of validating non-formal and informal learning (VNFIL) through examination. The Cabinet of Ministers approved the ‘Rules of carrying out examination and issuing of the document confirming the professional qualification of citizens, for an assessment and recognition of the knowledge, skills, competence and experience, acquired by citizens through non-formal and informal forms of vocational education’ in August 2020.

VNFIL is a new process in Azerbaijan. The Education Quality Assurance Agency (TKTA) plans to raise awareness about the procedure and its benefits for persons without qualifications, especially

those in the informal economy. VNFIL mainly covers Baku, and examinations are carried out in the capital. However, the TKTA plans to introduce the procedures in the regions gradually.

Quality and quality assurance

External quality assurance in Azerbaijan is regulated by the Law on Education, the Rules for accreditation of educational institutions approved by the Decree of the Cabinet of Ministers as of 14 December 2020, and other normative documents. The Rules mandate the Education Quality Assurance Agency (TKTA) under the MoSE to implement and coordinate the state policy in the institutional and program accreditation of all educational institutions. The Rules also oblige education institutions to establish an internal quality assurance (QA) mechanism.

The TKTA is responsible for the accreditation of all educational institutions, as well as for organising consulting and methodological support services related to the establishment and development of internal quality assurance systems in educational institutions. Furthermore, it is responsible for evaluating the activities of internal quality assurance systems of education institutions and for providing recommendations for their improvement.

SAVE and its Department of Management, Quality Assurance and Monitoring of Vocational Education Institutions are responsible for the overall governance of quality assurance in VET. Vocational education institutions organise their internal quality assurance in line with state educational standards. The regulation on the monitoring of vocational education institutions of March 2018 provides for the tracking of VET institutions in the domains of the curricula, personnel, educational infrastructure and teaching processes. SAVE implements this monitoring.

The State Examination Centre conducts final assessments (attestation) of students studying at general educational institutions. In addition, it organises the admission of students to secondary vocational education institutions and higher education institutions. It also holds exams for the recruitment and continuation of work for the civil service. External quality arrangements are regulated by the Rules for the accreditation of educational institutions (adopted on 28 September 2010). Accreditation of vocational training institutions is carried out every five years.

Work-based learning arrangements

The VET Law sets out the main principles and strategic orientation of the state policy on VET and the integration of employers into the VET system. In addition, the Strategic Road Map for VET highlighted the expected participation of the private sector in the VET system by 2020.

SAVE prepares and implements programmes within the framework of the joint public-private partnership established with employers to improve the efficiency of the VET system. More than 100 agreements have been signed between the agency, schools and the private sector. Modern curricula (since 2018) are designed to meet labour market needs based on occupational standards and the involvement of employers during curricula development.

Digital education and skills

Digital skills and competencies are usually reflected in policies and strategies for all education levels. The Law on Education regulates the roles of the state and education institutions in digital skills and competencies. The statutes of SAVE provide for developing a digital resource framework for VET. The policy for developing electronic textbooks, video lessons and other materials is set out in this document and other relevant regulatory acts.

Digital skills are embedded in the existing legislation, National Qualifications Framework (NQF), legislation on general education and State Standards for VET, and defined as key competencies for VET and lifelong learning. Azerbaijan's NQF for Lifelong Learning, approved by the Cabinet of Ministers in 2018, outlines digital skills in all descriptors. The Roadmap for the Development of Telecommunication and Information Technologies for 2016–2025 is dedicated to fostering digital skills, developing ‘e-schools’, and creating ICT training for teachers. Similarly, the Ministry of Education has

introduced coding and programming languages in the secondary education curriculum and a system for online learning. (ETF, 2021)

With support from Microsoft, Azerbaijan launched its Virtual School initiative, using Microsoft Teams to provide a personalised online learning approach. In a short time, teachers and students across the nation came online and formed a network that has grown into Azerbaijan's largest online community, with 1.4 million active users on 'Teams' [19].

Statistics on education and training

The State Statistical Committee (SSC), in cooperation with the Ministry of Science and Education (MoSE), produces a broad range of statistics on the educational system, essentially meeting the UNESCO Institute for Statistics (UIS) requirements in that regard and following the ISCED classification. These include details on the number of students and graduates by sex, age group, level and type of education; admissions, releases and numbers of students in specialities; characteristics of teachers employed by level; and the characteristics of international students. Indeed, the only notable omission on Azerbaijan's UIS educational statistical profile is the absence of data on the expenditure per pupil in primary and secondary education. Statistics on educational attainment, vocational training, life-long learning, and the transition from education to working life should be further developed to address any gaps in the coverage.

To enable a more targeted skills supply policy development, more comprehensive data on VET schools, programmes and graduates are needed. Administrative data on school enrolment exist, but survey data and long-term VET analysis are lacking. A more targeted policy approach would require regular analytical tools such as tracer studies with graduates and employer surveys that would provide data for more sophisticated planning and show if the training is relevant to the labour market.

The shift to more targeted policymaking will require capacity building for data collection and analysis. The newly established Labour Market Observatory under the Ministry of Labour is an important step in this respect. Reinforcing the capacity of public authorities to gather and use evidence in policy analysis, design, planning, monitoring and implementation concerning skills development is an essential precondition for measuring the effectiveness and efficiency of the policies.

[19] "Virtual school" project |Ministry of Science and Education Republic of Azerbaijan

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

Data analysis indicates that Azerbaijan has a relatively high economic activity rate, a low unemployment rate and high labour market flexibility. The activity rate has risen, reaching 71.0% in 2021 (for 15+, up from 66.7% in 2010). However, the outcomes show a considerable gender gap, with a difference between the rates for men and women of 13.9% (78.5% and 64.6%, respectively). The employment rate follows the same pattern, reaching 66.8% in 2021, much higher for men (74.7%) than for women (60.1%). The overall unemployment rate in 2021 stood at 6%, decreasing from its highest level in 2020 of 7.2%. However, it has not yet reached the pre-pandemic outcomes of 4.8% in 2019. Unemployment in 2021 was also higher for women (7%) than for men (4.9%).

According to data from the State Statistical Committee, as of April 2022, the economically active population was 5307.1 thousand, of which 4991.7 thousand were employed. 23.2% of wage-earners in enterprises and organisations are in production, including 7.0% in the construction, 7.3% in the processing industry, 3.5% in the agriculture, forestry and fishing, 1.9% in the mining industry, 1.9% in the water supply, waste treatment and processing, 1.6% was engaged in electricity, gas and steam generation, distribution and supply.

The service sector is the largest source of employment, providing jobs for almost half of the workforce(48.8% in 2021 and 49.1% in 2020). The agricultural sector accounts for the smallest share of GDP (approx. 6%) but employs around 36% of the workforce, suggesting subsistence-type farming and low productivity. However, it also generates around two-fifths of household income in rural areas. The industrial sector accounts for the lowest share of employment, 14.9% in 2021 (14.6% in 2020) but the highest share of GDP (41.4% in 2020 and 48.4% in 2021)[20].

As a result of recent economic diversification, market-oriented reforms and structural changes, the number of people employed in the private sector has increased. An essential characteristic of the employment structure is a high level of self-employment, reaching 65.8% in 2021. Self-employment is high across all sectors, particularly in agriculture and construction. However, at the same time, the proportion of informality is high, mainly in agriculture and other sectors, such as transport, manufacturing, trade and construction. The incidence of vulnerable employment is also high, standing at 54.4% in 2021, with a minor decrease from 57.6% in 2010.

The negative features of the country's labour market include relatively high youth unemployment, a massive shift towards low-skilled occupations, a high percentage of vulnerable employment and higher growth in wages than in labour productivity. For example, the high concentration of labour in the agriculture and the informal sector constitutes over 35% of all labour resources, mainly the agriculture sector, even though it is responsible for a negligible share of GDP. Meanwhile, most of these workers are not registered and do not pay income tax. (A.Valiev, 2020)

Based on 2021 results of the LFS, 1406.8 thousand youth aged 15-29 years were economically active, of which 1265.1 thousand were employed. According to the LFS, the number of unemployed youth aged 15-29 made 141.7 thousand, out of which men – 63.9 thousand and women – 77.8 thousand. 20.6% of employed youth have higher education, 11.1% – have secondary specialised, 3.9% – have primary vocational, 55.6% – have completed secondary, 8.7% – have general secondary and 0.1% – have primary education. (State Statistical Committee, 2022b, p. 129)

The State Social Protection Fund of the MLSPP paid social security benefits to more than 2.3 million people in May 2020. The number of unemployed people receiving social benefits at the end of

[20] See Statistical Annex AZERBAIJAN.

December 2020 was 401 200. The average amount paid was AZN 118.40. (State Statistical Committee, 2021b)

Statistics on and labour market and employment

Labour Market Information (LMI) in Azerbaijan comes from various sources, typically including the Population Census (the last one was carried out in 2019), Labour Force Survey (LFS) and enterprise reporting. An LFS is carried out according to the internationally standardised methodology introduced by the International Labour Organization (ILO). The LFS sample typically covers around 1% of all households in the country, while the Population Census includes all the households. Enterprise reporting is obligatory for all enterprises.

Another essential source of LMI in Azerbaijan is the Labour Contract Database, which the MLSPP maintains. It is a unique source of information that cannot be found in many other countries. The special features are the obligatory nature of the reporting (which the employers respect) and the availability of both demand and supply data. The database provides information about both the employer and the employee. The Public Employment Service data usually cover only registered jobseekers.

A significant development is the establishment of the National Observatory on Labour Market and Social Protection Affairs (NO), which has been operational since 2020 and will have a labour market monitoring role. In addition, the State Statistical Committee is implementing the State Program on Improvement of the Official Statistics in the Republic of Azerbaijan in 2018-2025, with the primary objective of improving official statistics through implementing complex measures to improve statistics.

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

The Employment Strategy for 2019-2030, aligned with the UN Global Initiative on Decent Jobs for Youth, based on 16 key targets, aims to reduce the NEETs, lower unemployment rates, increase SME employment and expand opportunities for young people in VET. One of the key targets by 2030 is to increase the proportion of the population formally employed in the non-agriculture sector to 80% from the baseline of 48.1% in 2017. The Strategy also targets increasing the scope and scale of training measures and validating non-formal and informal learning. The new Action Plan approved in January 2021 includes measures dedicated to improving the monitoring and forecasting system of the labour market, developing the skills of the labour force and improving labour standards.

In 2018 the Law on Employment introduced a basis for state policy on promoting employment. In addition, it established the legal basis for the provision of Active Labour Market Programmes (ALMPs). The Ministry of Labour and Social Protection of the Population (MLSPP) is actively developing secondary legislation to ensure the effective implementation of the new Law. The Law was updated significantly in 2021 to cover apprenticeships and vocational training.

Career guidance services are organised according to Article 22 of the Law on ‘Employment’. To implement Article 22, regulations on the ‘Provision of career guidance services’ were approved by the Decision of the Cabinet of Ministers of the Republic of Azerbaijan No. 266 dated 11.06.2019. The Regulations specify the directions and methods for providing career guidance services. Services are provided for job seekers, including employed and unemployed persons, students, pupils and their parents.

Decree No 1077 of June 2021 states that the State Employment Agency (SEA) is a public legal entity responsible for the organisation of active employment measures, the management of unemployment insurance funds, measures for the social protection of job seekers and the unemployed, and the control of compliance with the Law on Employment. It also carries out labour market analysis and provides control measures for detecting and preventing informal employment, providing information,

public-awareness campaigns, etc. The SEA operates under the Ministry of Labour and Social Protection of the Population of the Republic of Azerbaijan.

Since becoming operational in November 2021, the number of employees in the National Observatory (NO) has reached 60 out of a total of 70 posts. The Governing Board is operational and deals with general management and overseas operations and is staffed by three persons - the Chairperson and two deputies, who are appointed/removed by the Minister of the MLSPP. The Chairperson manages the day-to-day operations and represents the NO. Gradually, the institution has been introducing cutting-edge corporate management instruments.

Initiatives to boost employment

In Azerbaijan, a wide range of services is available to facilitate and boost employment. Career guidance is one of the active labour measures combined with vocational training for the unemployed and jobseekers, providing support to the self-employed, organising job fairs and labour exchanges, paid public works, etc., to boost employment. The MLSPP and SEA are central in providing career guidance to unemployed persons, job seekers, and youth. In addition, the MLSPP supports employers' needs, assisting them in finding a skilled workforce, etc.

The SEA provided 42 400 unemployed people and jobseekers with active employment measures in January-April 2021. As a result, 38 217 of them were provided with suitable jobs. In addition, 4158 people were involved in the self-employment programme, which allows unemployed people and job seekers to start small businesses.

22 SEA offices and five of the Agency for Sustainable and Operational Social Security (DOST) cover all regions of the country. Career guidance services as one of the active labour measures are carried out by these offices for unemployed and jobseekers, self-employed and employed. In addition, job fairs and labour exchanges are specific services. Overall, DOST centres provided services to 419 181 citizens in January-August 2022. The concept of DOST ensures the provision of 154 services in social fields from a 'single window' on an operative, transparent, and innovative basis.

In October 2022, a new concept was developed within the cooperation framework between the DOST Agency and the State Employment Agency. The concept includes unemployed persons, elaborating portfolios for the unemployed and follow-up on the portfolio. In addition, within the same framework, several employment services are planned to be provided by career counsellors in DOST centres.

The project 'Creation of inclusive and decent jobs for socially vulnerable groups' implemented by the UNDP and SEA started in January 2019 and is expected to run until 2024. The project aims to increase the potential of unemployed and jobseekers from vulnerable groups and create opportunities for their involvement in productive employment in the labour market. Twelve regions and cities were selected as pilots for the project's first year.

'Alo career' is a support service aimed at assisting the personal and professional development of individuals during the pandemic, ensuring the availability of vocational counselling services for the target groups, the quality of services provided and prompt response to the request. 'Bacar'[21] (learn a skill) is another SEA service that includes a career guidance component. The main target group consists of the unemployed and job seekers nationwide.

In 2021, a new Youth Employment Programme was implemented. The measures assist young people in successfully developing their careers and finding a job, creating additional employment (especially in the regions), and increasing competition in the labour market. Vocational and higher education graduates under the age of 29 participate in the programme and are awarded a minimum 1-year employment contract funded by the Youth Fund for a specific period.

In September 2022, a new project was launched with the cooperation of the SEA, the Youth Fund of the Republic of Azerbaijan and the Union of Student Youth Organizations of Azerbaijan. The project aims to form internship programmes in companies and organisations operating in the country that

[21] https://dma.gov.az/layiheler/reqemsal-layiheler/bacar

conform to international standards and to ensure the participation of high-potential young people in those internship programmes to develop their career skills. Within the framework of the project, 1 500 unemployed young people who have completed higher or secondary education and are under the age of 29 will have the opportunity to participate in training and internship programmes.

Initiatives to increase the capacity of the public employment services

In 2021, citizens in Azerbaijan continued to rely on the Centralised Electronic Information System of the MLSPP that provides information on 'Employment Contract Notification', 'Targeted Assistance', 'Disability', 'Insurance', 'Pensions', 'Employment', 'e-Reference', and others. Electronic services continue to be provided to the population in these areas through various subsystems and platforms available through the MLSPP. It is important to note that based on an OECD study, a lack of digital skills limits citizens' use of the internet and digital solutions, and Azerbaijan lags behind its peers and OECD countries in the share of the population with standard and advanced ICT skills. Acquiring skills by self-teaching is the most prevalent method to develop ICT skills in the country. (OECD, 2022)

Career guidance services are funded by the Unemployment Insurance Fund (UIF) budget. Reviewing laws on the Unemployment Insurance Fund (2018, 2019 and 2020) show that AZN 1.15 million, AZN 1.3 million and AZN 2.0 million were allocated for career guidance services in 2018, 2019 and 2020, respectively. These amounts represented 1.3% of the Fund's budget in 2018, 1.3% in 2019 and 1.6% in 2020.

The objective of the MLSPP is to strengthen the role of the SEA in the organisation of short-term training courses (up to 6 months) for unemployed people and job seekers. As part of the ongoing reforms, the legal status of the SEA was changed to that of a public legal entity in 2020. Therefore, there is a comprehensive plan for developing VTCs: i) expansion of the infrastructure of VTCs, ii) improvement of the legal/institutional system, and iii) improvement of the quality of the training content.

In 2021, four VTCs delivered short-term training courses for adults to support them in finding a job. According to the Employment Strategy, the number of VTCs will be increased from four to 10 by 2030. At present, reconstruction works are continuing for the Baku and Goychay VTCs. It is also necessary to carry out several finishing works for the Ganja VTC. In addition, new charters have been approved to boost the activities of the VTCs. As a result, in April 2021, the Territorial Tax Offices of the State Tax Service under the Ministry of Economy registered the Charters of Baku VTC, Goychay VTC and Ganja VTC, based on the MLSPP Board's decision of February 2021. The new charters convert the VTCs into public legal entities, with more opportunities and flexibility in organising vocational training. The MLSPP planned to open new VTCs in Baku and the Barda, Guba and Shaki regions in 2022. In addition, there is a plan to open new VTCs in Azerbaijan's recently liberated areas, namely the Karabakh region.

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STATISTICAL ANNEX – AZERBAIJAN

The Annex includes annual data from 2010, 2015, 2019, 2020 and 2021 or the last available year.

	Indicator		2010	2015	2019	2020	2021
1	Total population (.000) (1)		9054.3	9649.3	10024.3	10093.1	10145.2
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) (1) C		28.6	23.5	19.8	19.2	18.7
3	GDP growth rate (%)		5.0	1.1	2.5	-4.3	5.6
4	Gross value added by sector (%)	Agriculture	5.5	6.2	5.7	6.7	5.9
		Industry	59.8	44.9	48.8	42.0	48.4
		Services	27.9	40.0	36.5	42.4	37.6
5	Public expenditure on education (as % of GDP)		2.8	3.0	2.7	MD.	MD.
6	Public expenditure on education (as % of total public expenditure)		8.7	7.6	8.3	10.5	11.5
7	Adult Literacy (%) C		99.8	99.8	99.8	MD.	MD.
8	Educational attainment of total population (aged 15+) (%) (1) C	Low(2)	16.6	15.0	14.8	MD.	MD.
		Medium(3)	62.5	62.9	62.6	MD.	MD.
		High(4)	21.0	22.1	22.6	MD.	MD.
9	Early leavers from education and training (aged 18-24) (%)	Total	MD.	MD.	MD.	MD.	MD.
		Male	M.D.	M.D.	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.	M.D.	M.D.
10	NET enrolment rates in secondary education (ISCED level 2-3) (%)		MD.	MD.	87.6	86.9	87.3
11	Share of VET students in upper secondary education (ISCED level 3) (%)		MD.	MD.	47.2	43.2	37.9
12	Low achievement in reading. mathematics and science – PISA (%)	Reading	NA.	NA.	60.4(5)	NA.	NA.
		Mathematics	NA.	NA.	50.7(5)	NA.	NA.
		Science	NA.	NA.	67.8(5)	NA.	NA.
13	Activity rate (aged 15+) (%)	Total	66.7	69.7	70.7	70.9	71.0
		Male	69.7	77.6	78.3	78.4	78.5
		Female	63.9	63.0	64.1	64.4	64.6
14	Inactivity rate (aged 15+) (%)	Total	33.3	30.3	29.3	29.1	29.0

	Indicator		2010	2015	2019	2020	2021
		Male	30.3	22.4	21.7	24.6	21.5
		Female	36.1	37.0	35.9	35.6	35.4
15	Employment rate (aged 15+) (%)	Total	63.0	66.3	67.3	65.8	66.8
		Male	66.7	74.4	75.2	73.7	74.7
		Female	59.5	59.3	60.4	59.0	60.1
16	Employment rate by educational attainment (aged 15+) (%)	Low[6]	M.D.	32.3	MD.	MD.	MD.
		Medium[7]	M.D.	66.6	MD.	MD.	MD.
		High[8]	M.D.	74.8	MD.	MD.	MD.
		VET[9]	M.D.	79.7	M.D.	M.D.	M.D.
17	Employment by sector (%)	Agriculture	38.2	36.4	36.0	36.3	36.3
		Industry	13.7	14.0	14.7	14.6	14.9
		Services	48.1	49.6	49.3	49.1	48.8
18	Incidence of self-employment (%)		68.1	67.8	66.7	65.2	65.8 [11]
19	Incidence of vulnerable employment (%)		57.6	55.5	54.3	53.1	54.4 [11]
20	Unemployment rate (aged 15+) (%)	Total	5.6	5.0	4.8	7.2	6.0
		Male	4.4	4.1	4.0	6.0	4.9
		Female	6.9	5.9	5.7	8.4	7.0
21	Unemployment rate by educational attainment (aged 15+) (%)	Low[6]	M.D.	9.4	9.7	15.3	12.9
		Medium[7]	M.D.	4.6	4.6	6.7	5.6
		High[8]	M.D.	4.7	4.0	5.4	4.4
		VET[9]	MD.	5.2	5.7	8.8	7.3
22	Unemployment rate (aged 15-24) (%)	Total	14.9	13.4	12.4	15.1	14.2
		Male	13.9	11.4	10.9	13.1	12.3
		Female	16.0	15.8	14.2	17.3	16.5
23	Proportion of people aged 15–24 not in employment. education or training (NEETs) (%) [1]	Total	22.5	19.3	17.2	19.5	MD.
		Male	20.4	15.5	14.1	16.8	MD.
		Female	24.5	23.3	20.7	22.6	MD.
24	Participation in training/lifelong learning (% aged 25-64)	Total	MD.	6.5[10]	MD.	MD.	7.4
		Male	M.D.	7.6[10]	M.D.	M.D.	8.1

	Indicator		2010	2015	2019	2020	2021
		Female	MD.	5.3(10)	MD.	MD.	6.6
25	Human Development Index		0.726	0.744	0.756	MD.	MD.

Last update: 04/10/2022

Sources:
Indicators 1, 2, 3, 4, 5, 6, 7: The World Bank, World Development Indicators database
Indicators 7, 10, 11: UNESCO, Institute for Statistics
Indicator 8: ILOSTAT (OE - Official Estimates)
Indicators 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24: The State Statistical Committee of the Republic of Azerbaijan (data received).
Indicator 12 - OECD PISA 2018 Results (Volume I) Annex B1
Indicator 25 – UNDP

Notes:
(1) Estimation.
(2) Low – Basic, less than basic (ILOSTAT)
(3) Medium - Intermediate (ILOSTAT)
(4) High - Advanced (ILOSTAT)
(5) applies to 2018
(6) Low – Main and primary education
(7) Medium - Secondary, vocational and secondary specialised education
(8) High - Higher education
(9) VET - secondary specialised education and vocational education
(10) applies to 2014
(11) Preliminary data

Legend:
C= ETF calculations
NA. = Not Applicable
MD = Missing Data

KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

The EU AAP 2014 Support to Education in Azerbaijan (EUR 19 million), which finished in 2020, provided significant investment in various projects in the VET sector[22]. The EU AAP 2018 Education for Employment programme (EUR 14.4 million) signed in December 2019 seeks to: i) develop the legal and institutional basis at all levels of education according to the requirements of an Outcomes-Based Qualification System (OBS) for Lifelong Learning (LLL); ii) design a credit system and improve quality-assurance in VET; iii) modernise selected VET institutions for delivering competency-based training; and iv) enhance the system for skill needs/anticipation and develop mechanisms for assessment of competencies to minimise skills mismatch. Implementation of the programme started at the beginning of 2020 and will be completed by the end of 2024.

As part of this EU AAP 2018, since October 2020, the United Nations Development Programme (UNDP) is implementing four years action 'VET for the future: development of VET providers' excellence in Azerbaijan' of approx. EUR 5.6 million. The objective is to support the Government of Azerbaijan in creating a high-quality VET system. This action is aimed at providing continuing support to the State Agency for Vocational Education (SAVE). 'Strengthening capacities for quality assurance and credit transfer in Vocational Education and Training (VET) in Azerbaijan' with a budget of approx. EUR 1 M, has been completed. The focus of the project will be the improvement of the capacities of the State Agency on Vocational Education to develop and introduce the quality assurance framework and the credit transfer system in VET. The project is expected to be operational in the last months of 2022.

'Support to the Ministry of Education in further development of NQF Level 5 qualifications and strengthening the resilience of the education system in Azerbaijan' with a budget of approx.. EUR 2M project design has been completed in 2022, as part of the EU AAP 2018. The purposes of this project, where the key beneficiary is the Ministry of Education, will focus on: i. to support relevant institutions in Azerbaijan to strengthen and further develop NQF Level 5 education and training as part of AzNQF, ii. to support relevant institutions in Azerbaijan to improve the integration into the labour market of the education graduates, iii. to strengthen the resilient education system in Azerbaijan through its operating model to better prepare for changing context.

'Strengthening Accreditation of Educational Institutions and programmes and Quality Assurance process at VET and higher education levels in Azerbaijan' with a budget of approx.. EUR 1 M, project design has been completed in the first half of 2022, as part of the EU AAP 2018. The purpose of this project is to improve the capacities of the Education Quality Assurance Agency (TKTA).

Asian Development Bank is currently negotiating a loan of about USD 150 M to continue with the VET reform.

The EU support project 'Strengthening the capacity of the MLSPP', representing funding of around EUR 1.2 million in skills anticipation and workforce planning, and supporting the establishment of a National Labour Observatory, started in February 2020. Implementation of this project is has been completed in March 2022.

In March 2020, the World Bank approved a USD 100 million loan to finance the Azerbaijan Employment Support Project. The objective is to help the most vulnerable attain employment and income by promoting self-employment opportunities in the labour market where job opportunities are currently scarce. The project is expected to be completed in December 2025.

The project 'Promoting Innovation and Employment in Azerbaijan' (PROGRO) is implemented by UNDP and the Ministry of Labor and Social Protection of the Population, funded by USAID, with total

[22] Recommendation No 1/2018 of the EU-Azerbaijan Cooperation Council of 28 September 2018 on the EU-Azerbaijan Partnership Priorities: https://eeas.europa.eu/sites/eeas/files/eu4business_azerbaijan_en.pdf

budget of USD 1.1 million for the period of 2016-2024. The project is implemented through Youth Employment & Training Centres in Ganja, Zagatala and Sumgait (first known as 'SYSLAB Centers', now branded as 'PROGRO Centers'). These Centers provide a multitude of services to local job-seeking youth, such as administering 2-month on-site trainings and 2-week online webinars on career development, disseminating information on vacancies and other career building resources, fostering the youth's networking with potential employers, providing professional mentorships as possible, and so on. As of August 2022, the project has trained 587 unemployed youth in Ganja, Masalli, Zagatala and Sumgait through in-person trainings on effective job searching, career planning, building the inventory of professional skills, and entrepreneurial mindset. With additional funding from USAID in 2021, the project initiated 'English for Growth' activity to increase the number of young English speakers in Ganja, Zagatala and Sumgait through intensive English language courses and subsequently improve their employability in target areas.

ABBREVIATIONS

AAP	Annual Action Programme
ASAN	State Agency for Public Service
AZN	Azerbaijan manat (currency)
AzNQF	Azerbaijan National Qualifications Framework
DOST	Agency for Sustainable and Operational Social Security
EaP	Eastern Partnership
ETF	European Training Foundation
EU	European Union
EUR	Euro
GoA	Government of Azerbaijan
GDP	Gross Domestic Product
GHG	Greenhouse Gas
HCD	Human capital development
HEI	Higher Education Institutions
ICT	Information and Communications Technology
iMCD	Internal Displacement Monitoring Centre
IDPs	Internally Displaced Persons
ILO	International Labour Organization
ISCED	International Standard Classification of Education
LFS	Labour Force Survey
LLL	Lifelong learning
LMO	Labour Market Observatory
MoE	Ministry of Education
MLSPP	Ministry of Labour and Social Protection of the Population
NEET	Not in employment, education or training
NGO	Non-governmental organisation
NO	National Observatory
OECD	Organisation for Economic Co-operation and Development
PIRLS	Progress in International Reading Literacy Study
PISA	Programme for International Student Assessment
R&D	Research and development
SABER	Systems Approach for Better Education Results
SAVE	State Agency for Vocational Education
SEA	State Employment Agency
SME	Small and medium-sized enterprise
SSC	State Statistical Committee

SYSLAB	Systems Laboratory for Innovation and Employment
UIS	UNESCO Institute for Statistics
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VET	Vocational Education and Training
VNFIL	Validation of Non-Formal and Informal Learning
WBL	Work-Based Learning
YEP	Youth Economic Empowerment in Palestine

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