

Annex 1: Azerbaijan CPS Results Matrix – FY11 to FY14

Strategic Objective 1: Building a Competitive Non-Oil Economy

Results area 1: Enhancing macro-economic stability and growth policies

- Outcome 1: Prudent macroeconomic and fiscal management
- Outcome 2: Improved trade policy and institutions
- Outcome 3: Sustained improvements in business environment
- Outcome 4: More transparency and efficiency in public institutions

Results area 2: Upgrading Key Growth Supporting Infrastructure

- Outcome 1: Transport time and vehicle operating costs reduced
- Outcome 2: Improved agriculture and irrigation services

Strategic Objective 2: Strengthening Social and Municipal Services

Results Area 3: Improving Social Services

- Outcome 1: Strengthened social protection and employment services
- Outcome 2: Wider access to health services
- Outcome 3: Improved quality of basic and higher education
- Outcome 4: Improved living conditions for IDPs
- Outcome 5: Improved road safety

Results area 4: Improved municipal and rural services

- Outcome 1: more reliable water supply and sanitation
- Outcome 2: Improved reliability of solid waste management services
- Outcome 3: improved access to rural infrastructure

Cross-Cutting Filter: Governance and Institution-Building to be promoted in all activities

Azerbaijan: FY11-14 CPS Results Matrix

CPS OBJECTIVE 1: BUILDING A COMPETITIVE NON-OIL ECONOMY

Key Government Goals:

- Prudent macro-economic management and improved trade policies and institutions
- Strengthen Azerbaijan’s role as a regional transport corridor and improve connectivity within Azerbaijan *(to be measured by increased transit traffic)*
- Improve the business environment for higher non-oil growth *(to be measured by the level of growth of SMEs, non-oil exports).*
- Build a more efficient and productive rural sector. *(to be measured by increase in agriculture exports, farm income)*

Key Issues and Obstacles:

- Macro-economic management will require careful balancing of expenditure, exchange rate, and inflation in light oil revenues.
- Trade policies and institutions need to relax the current “control oriented” approach.
- Transport: Roads need improvement and widening. Port and Rail need modernization, intermodal / interoperability.
- Business environment needs strengthening in several areas (tax, customs, licensing etc)
- The financial system remains shallow. The largest bank is state-owned and SMEs have limited credit access
- Agriculture – need to improve agriculture productivity, food certification and processing, irrigation framework, crop and livestock disease risk

CPS RESULT AREAS, OUTCOMES AND TARGETS	MILESTONES	WORLD BANK GROUP PROGRAM AND PARTNERS
<i>Results Area 1: Enhancing macro-economic stability and growth policies</i>		
<p>Outcome 1: Prudent macroeconomic and fiscal management <i>Primary indicator:</i> reduction in non-oil primary deficit to non-oil GDP (2009 baseline = -38.7%).</p> <p>Outcome 2: Improved Trade Policy and Institutions <i>Primary indicator:</i> Growth in the volume of non-oil exports (2009 baseline = \$1.2 b).</p>	<p>- 2011-12 Budgets approved with declining non-oil deficit</p> <p>- Non-oil export Program endorsed by Government</p> <p>Progress in tabling proposals for key technical areas of WTO accession</p>	<p>Ongoing loans: None</p> <p>New loans: None envisaged (DPL if requested)</p> <p>AAA and TFs: PPER, Support to Non-oil sector strategy, TA on WTO accession and Trade Policy Support , Possible TA on tax and customs modernization, High Level Forum</p> <p>IFC: Possible IFC Advisory services on ease of paying taxes and trading across borders</p>

Results Area 1: Enhancing macro-economic stability and growth policies

<p><i>Primary indicator:</i> <i>Doing Business 2010</i> baseline = 46/50 days to export/import; <i>Doing Business 2010</i> baseline = \$2980/\$3480 cost to export/import a container).</p> <p>Outcome 3: Sustained improvement in business environment</p> <p>-- <i>Primary Indicator:</i> Average time of land registration</p> <p>-- <i>Primary Indicator:</i> Number of mortgages for access to capital</p> <p>--<i>Primary Indicator:</i> Improvements in the business climate, as measured by the Doing Business report and IFC SME survey(s).</p> <p>-- <i>Primary Indicator:</i> Number of loans provided to MSMEs.</p> <p>-- <i>Primary Indicator:</i> Reduction in number and scope of permits and/or licenses (outside construction) and reduction in cost and time required to receive these licenses/permits</p>	<p>20% reduction in time (days) and cost (US\$) to export/import</p> <p>Average time of land registration drops from 90 to 30 days.</p> <p>Increase in online access to the land register by 100 Notaries</p> <p>Maps covering 4 million ha created Operating Reference System for land registration established and operational</p> <p>Increase of the use of mortgages for access to capital and resultant investment from 14,000 in 2009 to 40,000 in 2013</p> <p>-- implementation of one-stop shops for business registration and construction permits</p> <p>Number of loans provided to MSMEs increases through IFC client banks from 57,000 in 2009 to at least 85,000 in 2014.</p> <p>-- reduction in number and scope of on-site business inspections and reduction in associated costs by 20 percent</p>	<p>Ongoing loans: Real Estate Registration Project</p> <p>New loans: Cap. Market Modernization Project</p> <p>AAA and TFs: High Level Forum on Competitiveness</p> <p>IFC: IFC financing to SMEs, in particular through FIs; Advisory to strengthen FIs and financial infrastructure work (credit information sharing and secured lending); Investment climate advisory to reduce regulatory burden to businesses – currently on business registration, permits, and inspections; Advisory to improve corporate governance practices.</p> <p>Key international partners: SECO is a key Bank and IFC partner, as are the IMF, Netherlands, Austria, and BP.</p>
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Results Area 2: Upgrading Key Growth Supporting Infrastructure

<p>Outcome 4: More Transparency and Efficiency in Public Institutions</p> <p>-- <i>Primary Indicator:</i> Use of MTEF enhanced in budget formulation</p> <p>-- <i>Primary Indicator:</i> percentage of projects that are government financed which are prepared based on rate of return criteria</p> <p>-- <i>Primary Indicator:</i> number of SOEs using International financial standards</p> <p>-- <i>Primary Indicator:</i> 20% increase in user satisfaction of judiciary system</p>	<p>- Summary of budget published</p> <p>At least 50 percent</p> <p>-- number of ISA based audits conducted by Chamber of Accounts increases from 0 to 5.</p> <p>--number of SOEs using International financial standards increases from 2 to 20</p> <p>-- 4 or more court houses built, 150 new judges trained</p>	<p>Ongoing loans: : Judicial Project, Corp and Public Accounting Project, Real Estate Registration Project, Rail Trade and Transport Facilitation Project, Public Investment Capacity Building Project</p> <p>IFC: IFC Investment Climate Advisory activities related to improving private sector awareness of regulatory processes</p> <p>Key international partners: EC, USAID</p>
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Results Area 2: Upgrading Key Growth Supporting Infrastructure

<p>Outcome 1: Transport Time and vehicle operating costs reduced</p> <p>-- <i>Primary Indicator:</i> Road user costs ;</p> <p>Baku - Shamakhi road between km 15 - km116 (baseline is \$0.40/vehicle km)</p> <p>Improve security for road transport</p> <p>-- <i>Primary Indicator:</i> train E-W transit time (2009 baseline = 22hrs, Target = 15 hrs)</p> <p>--<i>Primary indicator:</i> locomotive reliability</p> <p>-- <i>Primary indicator:</i> volume of rail transit traffic</p> <p>--<i>Primary Indicator:</i> ease of crossing border improves (2010 Doing Business: Azerbaijan is ranked 177 out of 183 on ease of trading across borders)</p>	<p>--reduction in road user costs by 20% on the</p> <p>-- upgrade 200Km of highways</p> <p>-- adopt new motor code</p> <p>--Purchase of 50 new electriclocomotives (25 kV)</p> <p>--Renewal of 240 km of rail track on East – West Corridor</p> <p>-- locomotive reliability (measured in distance between failures) increased from 17,000km to 100,000km</p> <p>--New 25 kV electrification installed on E-W rail corridor</p> <p>--Increased from 11 million tons to 23 million tons</p> <p>Ease of crossing border improves in DB ranking by 50 positions</p>	<p>Ongoing loans: Highways 2 and 3, Rail Trade and Transport Project</p> <p>AAA and TFs: Transport Sustainability Review, IDF on transport capacity building</p> <p>IFC: Possible Advisory on trade across borders, possible investments in private logistics companies and/or advisory or investment support to private participation in transport infrastructure</p> <p>Key international partners: ADB</p>
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Results Area 2: Upgrading Key Growth Supporting Infrastructure

<p>Outcome 2: Improved agriculture and irrigation services</p> <p>-- <i>Primary Indicator:</i> Production marketed for cash</p> <p>-- <i>Primary Indicator:</i> Incomes of participating farmers and rural entrepreneurs</p> <p>-- <i>Primary indicator:</i> Volume of irrigation water to increase from two irrigations to four irrigations per season</p>	<p>- Increase by 10% (baseline: 60%)</p> <p>-To increase by 20% (baseline: annual income of AZN 11,000)</p> <p>- Collection percentage of Irrigation Fees in supported area to increase substantially (baseline: 10-20%)</p> <p>WUAs that have benefited from rehabilitation carry out most of O&M, (baseline 0, target 45WUAs)</p>	<p>Ongoing loans: ADCP2, IDSMIP</p> <p>New loans: Irrigation II, ADCP3</p> <p>AAA and TFs: Agriculture & Irrigation Sector Update</p> <p>IFC: IFC financing of agribusiness or related sectors (e.g. retail, packaging, logistics), also through FIs. Possible advisory to be determined</p> <p>Key international partners: USAID</p>
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CPS Objective 2: Strengthening Social and Municipal Services

Key Government Goals

- Continued progress in poverty reduction (both urban and rural)
- Progress in health indicators
- Strengthening of quality of basic education
- Improvement in higher education coverage (15%) and quality
- Improved IDP conditions and livelihoods
- Full coverage of the population to reliable and high quality water supply
- Improved water and solid waste removal services
- Improve rural services
- Address environment legacy issues and prioritize environmental investments

Key Issues and Obstacles:

- Further improvements in social assistance and employment services coverage and quality
- Health facilities need to be upgraded and run in a more effective manner
- Basic education continues to need curriculum reform and streamline the number of schools
- Higher education needs reduced restrictions on entry, merit based entrance, and improved quality
- IDPs not well integrated into society. Need more permanent approach
- The state of the water pipes has significantly deteriorated and need major overhaul
- Waste removal services both limited and informal. Need to formalize approach and bring technology to support.
- Inter-govt budget and administrative processes for strengthening rural investment still weak
- Real commitment to the environmental agenda unclear. Calls for greater consensus building before working forward on pressing issues.

CPS Objective 2: Strengthening Social and Municipal Services

CPS RESULT AREAS OUTCOMES AND TARGETS	MILESTONES	WORLD BANK GROUP PROGRAM AND PARTNERS
<i>Result Area 3: Improving Social Services</i>		
<p>Outcome 1: Increased coverage and efficiency of social protection and employment services <i>Primary Indicator:</i> Coverage of very poor by social assistance</p> <p><i>Primary Indicator:</i> # of job seekers served by employment services</p>	<p>-- Increases from 50% to 70%.</p> <p>--To increase from 25% to 40%</p>	<p>Ongoing loans: Social Protection Project. Pensions and Social Assistance Project AAA: Household survey to assess TSA program coverage of the very poor AAA: Improved targeted program design and training; TSA linked to social services and employment assistance</p>
<i>Result Area 3: Improving Social Services</i>		
<p>Outcome 2: Wider access to health services <i>Primary Indicator:</i> health indicators improve in supported regions (baseline maternal mortality target)</p> <p><i>Primary Indicator:</i> Out of pocket expenses decrease (baseline for private out of pocket expenditures as a share of total health expenditures 51.6% in 2008 – target is 30%)</p>	<p>-- Health facilities upgraded including 2 new hospitals, 3 village hospitals, 9 PHCs</p> <p>-- Master plan for restructuring health services network developed</p> <p>-- Share of total health expenditures reaches 30%</p> <p>--New Human Resources and financing policies adopted</p> <p>--Health MIS Prototype developed and tested</p>	<p>Ongoing loans: Health Sector Reform Project</p> <p>IFC: Possible IFC investment in health care services</p> <p>Key international partners: WHO, USAID</p>
<i>Result Area 3: Improving Social Services</i>		
<p>Outcome 3: Improved quality of basic and higher education <i>Primary Indicator:</i> Improved test scores in basic education (baseline to be determined after first round of national assessments in 2010)</p>	<p>-- Sample based national assessment in grades 4 and 9 introduced in 2010</p> <p>-- new curriculum adopted for grades 1-6 by 2014</p> <p>-- number of schools streamlined/merged</p> <p>-- # of innovation grants supported.</p>	<p>Ongoing loans: Education APL2</p> <p>New loans: Higher Education Project</p> <p>AAA and TFs: Education Strategy</p>

CPS Objective 2: Strengthening Social and Municipal Services

CPS RESULT AREAS OUTCOMES AND TARGETS	MILESTONES	WORLD BANK GROUP PROGRAM AND PARTNERS
Result Area 4: Improved Municipal and Rural Services		
<p>Outcome 2: Improved reliability of solid waste management services</p> <p>-- <i>Primary Indicator:</i> Extend waste collection services to 60% of currently un-served population of Greater Baku</p> <p>-- <i>Primary Indicator:</i> Improved solid waste disposal management</p> <p>-- <i>Primary Indicator:</i> Environmentally sound disposal of Hovsan wastewater</p>	<p>--Target amounts to about 400,000 people.</p> <p>-- Rehabilitate Balakhani landfill (the largest informal waste dump in Baku)</p> <p>--Target: closure of 60% of informal dump sites.</p> <p>--9 km of pipe for Hovsan Outfall built</p> <p>Implemented.</p>	<p>IFC: If opportunities for private participation increase, possible role for IFC on advisory or investment, though no agreement on this at present</p> <p>Key international partners: ADB, JBIC, KfW, IDB</p>
Result Area 4: Improved Municipal and Rural Services		
<p>Outcome 3: Improved access to rural infrastructure</p> <p>-- <i>Primary indicator:</i> number of people with improved access to rural roads (2009 baseline=390,000)</p> <p>-- <i>Primary indicator:</i> other improvements in rural infrastructure and sustainable management</p>	<p>--About 800,000 people</p> <p>--number of micro-projects from 2010-2014</p>	<p>Ongoing loans: AzRIP,</p> <p>New loans: AzRIP</p>

Annex 2: Consultations on the CPS

In July and early August 2010, separate CPS consultations were held in Baku with international donors, civil society representatives, and the business community.

All stakeholders endorsed the main challenges facing Azerbaijan identified within the CPS, as well as, the proposed strategic objectives of the new CPS: (1) Building a Competitive Non-Oil Economy, and (2) Strengthening Social and Municipal Services. It was agreed that while the strategy separates these two strategic objectives for presentational and accountability reasons, in fact they are strongly interlinked and success of the CPS will require simultaneous and comprehensive progress in both directions.

Representatives of civil society and the business community particularly agreed with the emphasis the CPS puts on the cross-cutting “governance filter”. They presented specific examples where – particularly in remote regions and for smaller entrepreneurs – lack of transparency and accountability on the part of authorities remains a significant obstacle to achieving economic and social results. At the same time, participants recognized that monitoring and measuring progress in improving governance – and taking practical follow-up measures - would be a challenge. From this perspective, the continuation of institutional capacity building initiated in a number of projects during the current CPS, and increasing the level and scope of analytical work proposed under the new CPS, are steps in the right direction. These measures must, however, be matched by a clear commitment on the part of government counterparts to address issues of governance and corruption as priority factors hindering the growth of the non-oil economy. The government should accept in practice that further development of Azerbaijan will require more bottom-up initiatives by local communities and individual entrepreneurs.

Discussants gave particular attention to the fact that limitations in economic competition and existing regulatory and bureaucratic obstacles weigh heavily on private businesses. These regulatory obstacles are amplified by shortages of professional advisory services and skills (legal, financial, marketing) and properly targeted state support, particularly to businesses organized by women and/or in remote regions.

Participants fully endorsed the diagnosis in the CPS that the current low level of tertiary education (college and vocational) is a major structural deficiency in Azerbaijan, and will require decisive measures on the government side, and deep changes in social attitudes to the benefits of such education.

Discussants agreed that new lending activities should be focused on sectors and institutions with stronger track records of successful implementation of World Bank projects. Simultaneously, it was understood that IFC could invest only in businesses with transparent ownership and financial reporting according to international standards.

In conclusion, many discussants stated that the proposed CPS for FY11-14 is more strategic and realistic than the current one and that the proposed CPS made proper use of the lessons learned. Participants also expressed their desire and commitment to work closely with the WBG on implementation of the CPS. A more efficient formula of such cooperation has to be elaborated.

Annex 3: Gender Issues in Azerbaijan

Overview. Azerbaijan is a middle income country with uneven social and economic gender indicators. The main gender-related issues that negatively affect women are higher unemployment rates, the concentration of female employment in low paid sectors, and low representation in politics. Men are negatively affected by a lower life expectancy by 5 years. In addition, there are social and human rights problems such as gender based violence and human trafficking.

Human development. Life expectancy at birth for women and men was 75 years and 70 years respectively in 2009. Primary school gross enrolment rates are 95% and 98%, secondary school gross enrolment rates are 81% and 85%, and tertiary school gross enrolment rates are 14% and 15% for girls and boys, respectively. Thus, for both males and females the issue in education is not a gender imbalance but the steep drop-off from secondary to tertiary enrolment. Health indicators for women are mixed. The estimated maternal mortality rate is 24 per 100,000 live births for 2009. Among the factors that contribute to the high rates of maternal mortality are high rates of anemia among women, high level of abortions, the poor health care infrastructure, especially in the rural areas, and the inadequate skills of service providers. Within the last five years, the number of live births among boys has risen considerably higher than that of girls (54 percent of boys vs. 46 percent of girls in 2009), likely attributable to sex-selective abortions.

Labor market outcomes. The labor force participation rates for females and males are 67% and 78% respectively. The majority of employed women are employed in services (54%) and agriculture (37%) while employment in industry is negligible for women. Unemployment rates are 10% and 8% for women and men, respectively. An estimated 84% of all females employed are wage and salaried workers while an estimated 14% of all females employed are self-employed. The share of all employed women working in the public sector is estimated at 92% for 2006 compared to 55% of males. While no gender differences in pay for the same work are observed, female employment tends to be concentrated in lower paid sectors. Female employment dominates in education, health and social services. The total wage gap across all sectors is 56.8 percent (percentage of the average monthly salaries of women to average monthly salaries of men).

Entrepreneurship. According to the Enterprise Survey in 2005, an average of 14% women participated in firm ownership. The share was highest in the case of medium firms (16%) and lowest in large firms with 4%.

Political participation. The representation of women in Azerbaijan is low. Only 14 of the 125 members of the National Assembly are now women. There is only one woman out of total 45 MPs in the Parliament of the Nakhichevan Autonomous Republic. At the municipal level, the representation of women is even weaker. The same pattern is found in the executive branch of government. In the Cabinet of Ministers, out of a total of 39 Ministers and Chairpersons of State Committees and Agencies, there is only one female member - the Chairperson of the State Committee on Family, Women, and Children's Affairs. At the level of Deputy Minister, only 6 percent are women.

Legal issues. Azerbaijan ratified CEDAW without reservations and the Optional Protocol. The national legislation does not discriminate against women. The Law on Equal Rights and Opportunities was approved by Parliament in late 2006 in a process that spurred intense public discussion with broad participation of various stakeholders including a number of non-government and civil society organizations. In Azerbaijan, like in many other countries, there is a discrepancy between legislative acts and their realization.

Violence and Trafficking. Although violence against women is considered a crime, enforcement is not particularly strong due to the lack of appropriate mechanisms. According to the 2008 US State

Department Report on Trafficking in Persons, Azerbaijan is a source and transit country for men, women, and children trafficked for the purposes of commercial sexual exploitation and forced labor. Azerbaijan is placed on a Tier Two Watch List because it does not fully comply with the minimum standards for the elimination of trafficking, though it is making significant efforts to do so. Azerbaijan prepared and enforced the National Action Plan to Fight Human Trafficking in 2004 and the Law on Human Trafficking in August 2005.

Annex 4: Climate Change in Azerbaijan

According to the 2009 Europe and Central Asia World Bank flagship report “*Managing Uncertainty: Adapting to Climate Change in Europe and Central Asia*” – Azerbaijan is **ranked 7th** overall among ECA countries in terms of the impact-vulnerability index which measures the relative strength of future anticipated climate change relative to today’s natural variability.¹

The main drivers of the vulnerability or impact index are:

- First, its relative *sensitivity* to climate change (ranked 8th highest among the 28 ECA countries) owing to the age of energy sector infrastructure (the power sector is hard pressed to respond to the peaks in electricity demand linked to rising summer temperatures, and is badly in need of upgrade and expansion. Warmer summers, with periods of intense heat, have strained the transmission networks. In addition, extreme weather threatens the ability of networks to function as intended—especially aging and poorly maintained facilities);
- Second, its relative *exposure* to climate change (Azerbaijan ranks 11th out of the 28 ECA countries) owing to the potential impact of catastrophic events (events that threaten an economic loss);
- Thirdly, Azerbaijan has one of the most limited adaptive capacity to the effects of climate change of the ECA countries.

Energy efficiency

Reduced venting and flaring of gas in the oil and gas sector in Azerbaijan represents a major opportunity for more efficient use of energy resources. In 2006, according to estimates by the World Bank Global Gas Flaring Reduction public-private partnership, Azerbaijan, Turkmenistan, and Uzbekistan together flared and vented 7 billion cubic meters of associated gas. Technical and commercial gas transmission and distribution losses are also relatively high in Azerbaijan, presenting further opportunities for improving efficiency.

On the electricity supply side, thermal power plant rehabilitation offers good potential for energy efficiency improvements. Technical and commercial losses of electricity have also been high. Azerbaijan has taken positive measures in this regard through tariff reform and re-metering and payment enforcement.

Government Actions

In 2000-2001 during the II Phase of “First National Communication to the Conference of Parties” the following activities were done:

- Estimation of Green Technologies requirements;
- Increasing of potential for participation in systematic global observation networks;
- Leading of additional scientific researches on vulnerability and adaptation of fish resources and on the processes of desertification as result of climate change.

¹ The vulnerability index combines three sub-indices capturing a country’s exposure, sensitivity, and adaptive capacity. The index combines the number of additional hot, dry and wet years; hot, dry and wet summers; and hot, dry and wet winters projected over the 2070–2100 period relative to the 1961–1990 period.

More recently, Azerbaijan adopted additional programs including:

- Governmental program on using alternative and renewable sources of energy;
- National program on regeneration and forestry development;
- Sustainable Development program from ecological point of view;
- Governmental program on hydrometeorology development.

In terms of carbon finance, Azerbaijan has been involved in only a very limited way to date in the global carbon market. There are at the moment five CDM projects under development in Azerbaijan (one fugitive emissions project, two supply side energy efficiency projects, one fuel switch project, and one hydro power project), and none of them have yet been registered by the UNFCCC as a CDM project. There are a number of opportunities to explore including thermal plant rehabilitation, heat supply, and to a more limited extent renewable energy. Small scale projects could be found in the rural/agriculture sector e.g. in the form of biogas installations and improved water supply and pumping.

Annex 5: Progress toward the Millennium Development Goals

<i>Millennium Development Goal</i>	<i>Current status</i>	<i>Prospects for achieving Goal by 2015</i>
Half income poverty	Poverty levels have fallen from about 50 percent in 2001 to about 16 percent in 2008.	Achieved. The oil sector boom, combined with broadening of employment-generating economic activities and targeted safety nets policies, has allowed Azerbaijan to achieve this target.
Achieve universal primary education	Enrollment rates in basic education (grades 1-9) are well above 90 percent, although drop-out rates are higher for the poor than for nonpoor. Sector concerns relate more to quality, including the need to build the skills necessary in an increasingly global economy.	Likely. The country inherited an education system that provides nearly universal basic education. Sector issues relate more to quality, than to access.
Achieve gender equality in primary education	Surveys show no significant gender differences in enrollment rates for basic education (grades 1-9). Concerns relate more to girls' access to upper secondary and higher education, particularly in rural areas.	Likely. Although girls drop out of secondary school earlier than boys and fewer attend post-secondary education, especially in rural areas, there is no evidence of gender inequality at the primary level. Access to higher education is an issue for both genders.
Reduce under-five mortality by two-thirds	According to MOH data, under-five mortality rate declined from 23.1 per 1,000 live births in 2001 to 16.1 in 2007. WHO estimates also show a decline, from 46 in 2005 to 39 per 1,000 live births in 2007. Despite these differences, the degree of decrease is similar, and continues a trend since 1990, when the level was over 100.	Likely. Azerbaijan can meet this MDG by 2015, considering the positive trend to date. The Government focuses on strengthening of primary healthcare services including access and quality of care as well as improving reproductive health services in the frame of National Reproductive Health Strategy (2008-20015)
Reduce maternal mortality by three quarters	According to the State Statistical Committee (2009) and WHO, HFA DB 2009, the MMR in 2008 was 26.3 deaths per 100,000 births compared with 37.6 in 2000.	Possible. There is a trend that shows decrease on MMR in the country, but it is still three times higher than the target MDG of 9.4 maternal deaths for 2015. The Government is strengthening primary health care with Bank support as part of the new National Reproductive Health Strategy (2008-20015).
Reverse the spread of HIV/AIDS	According to MoH, clinically diagnosed AIDS incidence per 100,000 population has increased over the period from 0.1 in 2001 to 0.7 in 2008. Part of the increase in the HIV prevalence is associated with improved case detection. Both, AIDS incidence and HIV prevalence rates in Azerbaijan favorably compare with corresponding average rates in CIS (2.2. per 100,000 population)	Possible. Given the nascent starting point, some rise was inevitable as more information and testing was available, and as Azerbaijan increased its trade links. The MOH has an ongoing HIV/AIDS program supported by the Global Fund and is strengthening its institutional capacity for HIV/AIDS/STI control; and scaling up preventive interventions, particularly in vulnerable groups.

<i>Millennium Development Goal</i>	<i>Current status</i>	<i>Prospects for achieving Goal by 2015</i>
Reverse the spread of tuberculosis	The prevalence of tuberculosis dropped over the period from 2001 to 2005 (from 180.4 to 63.4 per 100,000 population), but since then has slowly increased, reaching 100.8 per 100,000 population in 2008. In 2004, the National Tuberculosis Program (NTP) adopted full DOTS coverage to improve disease registration and control.	Possible. Notwithstanding the recent rise in tuberculosis (which may stem in part to improved registration) tuberculosis treatment and success rate are improving. At the same time, a troubling trend is the rise of drug resistant TB among new cases. TB control program efforts should be intensified and carefully monitored in order to achieve the Global TB Control Targets by year 2015.
Ensure environmental sustainability (including halving the proportion of people without access to safe water)	According to available estimates, around 76 percent of all households have access to improved drinking water source – 93 percent in urban areas and 58 percent in rural areas. On other areas, the Government has recognized the importance of cleaning up environmental hazards of the FSU period, but has yet to take concrete steps in this regard.	Possible to unlikely. The Government, particularly with World Bank and ADB support, has launched a major effort to improve the access and quality of drinking water throughout Azerbaijan. However, this program has been slow to be implemented. On cleaning up environmental legacy issues, increased Government commitment and focus will be needed.

Annex 6: One Bank – IFC and IDA/IBRD Integrated Programs

The IFC and IDA/IBRD have continued to strengthen their integration in Azerbaijan, including through decentralization of staff to the field. Particular areas of integration and coordination expected to have a high pay-off during the CPS period include:

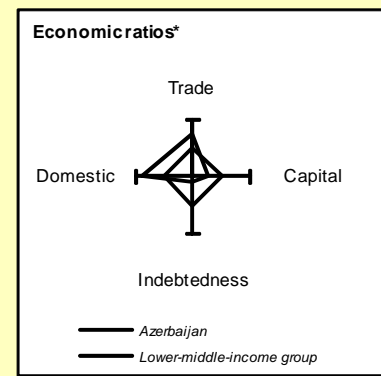
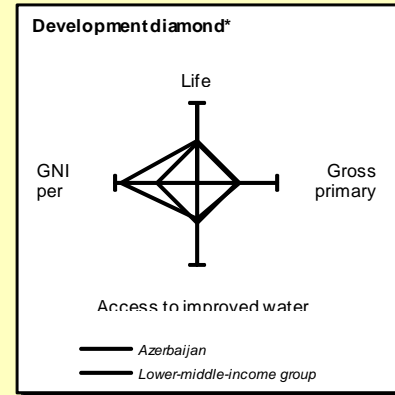
- **The Financial Sector:** IFC will continue to support the growth and consolidation of the banking sector and the provision of finance for SMEs and microenterprises through financial intermediaries. IDA/IBRD will complement this through supporting the development of the capital markets through the proposed Capital Markets Modernization Project. IFC and the Bank will support these efforts through coordinated analytic work including IDA/IBRD regular financial sector assessments and policy dialogues with the Central Bank and IFC advisory work on key issues for banks, such as credit information sharing, real estate appraisal, and the management of non-performing loans. IFC will work to identify potential areas for advisory on capital markets development, as per the Government's request.
- **The Business Environment:** IFC will continue to promote the implementation of improvements in processes for permits and inspections, with the possible addition of additional areas such as the ease of paying taxes and trading across borders. The Bank will complement these efforts with analytic work on trade and supporting a regular High Level Policy Forum to help the Government develop ways of further strengthening exports and competitiveness. Improvements will be measured through various surveys including BEEPs, Doing Business and a possible follow-up IFC SME Survey.
- **Corporate Governance:** The Bank and IFC will continue to cooperate closely particularly through the Bank's ongoing Corporate and Public Accounting Project, and a possible new ROSC on accounting and auditing, and the IFC completing a comprehensive advisory project on corporate governance in the private sector.
- **Agriculture:** IDA/IBRD will support the further development of the agriculture sector through a new agriculture development and credit project, as well as an agriculture review and analytic work on trade issues related to agriculture such as quality standards. IFC will complement this by considering financing agribusiness both directly and through financial institutions. It may also consider launching advisory services to improve competitiveness, including on issues such as food safety and agrifinance.

Annex 7: Standard CPS Annexes

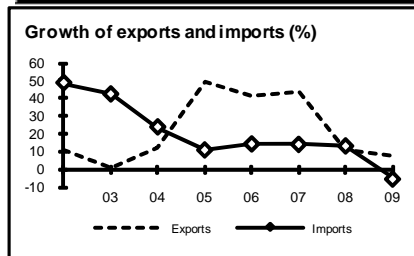
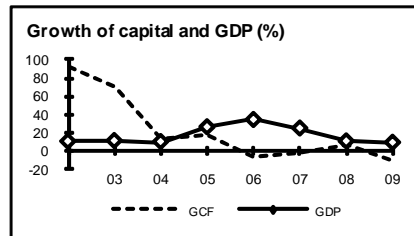
Azerbaijan at a glance

9/2/10

POVERTY and SOCIAL	Europe & Central Asia		Lower middle-income		
	Azerbaijan	(ECA)	(LIC)		
2009					
Population, mid-year (millions)	8.8	441	3,702		
GNI per capita (Atlas method, US\$)	4,820	7,448	2,078		
GNI (Atlas method, US\$ billions)	42.6	3,274	7,692		
Average annual growth, 2002-09					
Population (%)	1.1	0.1	1.2		
Labor force (%)	2.2	1.0	1.6		
Most recent estimate (latest year available, 2002-08)					
Poverty (% of population below national poverty line)	15.8	..	..
Urban population (% of total population)	52	64	41		
Life expectancy at birth (years)	70	70	68		
Infant mortality (per 1,000 live births)	32	21	46		
Child malnutrition (% of children under 5)	8	..	26		
Access to an improved water source (% of population)	78	95	86		
Literacy (% of population age 15+)	100	98	83		
Gross primary enrollment (% of school-age population)	116	98	109		
Male	117	99	112		
Female	115	97	106		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1988	1998	2008	2009	
GDP (US\$ billions)	..	4.4	46.4	43.1	
Gross capital formation/GDP	..	33.4	19.8	18.9	
Exports of goods and services/GDP	..	22.7	69.3	53.1	
Gross domestic savings/GDP	..	1.5	61.0	48.4	
Gross national savings/GDP	..	2.7	55.3	42.5	
Current account balance/GDP	..	-30.7	35.5	23.6	
Interest payments/GDP	..	0.5	0.7	0.7	
Total debt/GDP	..	15.9	8.8	11.3	
Total debt service/exports	..	2.1	0.9	1.6	
Present value of debt/GDP	7.5	8.6	
Present value of debt/exports	9.1	15.5	
	1988-98	1998-08	2008	2009	2010-13
<i>(average annual growth)</i>					
GDP	-10.6	15.9	10.8	9.3	3.8
GDP per capita	-11.7	14.9	9.6	8.4	3.0
Exports of goods and services	..	19.9	6.8	7.2	2.4



STRUCTURE of the ECONOMY	1988	1998	2008	2009
<i>(% of GDPmp)</i>				
Agriculture	..	18.9	5.6	6.7
Industry	..	36.5	65.5	57.4
Manufacturing	..	8.7	4.7	4.0
Services	..	44.6	28.9	35.9
Household final consumption expenditure	..	83.3	27.5	37.3
General gov't final consumption expenditure	..	15.2	11.5	14.3
Imports of goods and services	..	54.5	18.7	18.3
	1988-98	1998-08	2008	2009
<i>(average annual growth)</i>				
Agriculture	-5.7	7.0	6.1	3.5
Industry	-5.5	17.8	9.9	10.6
Manufacturing	-15.4	3.7	7.1	-12.6
Services	-7.7	9.8	13.7	9.1
Household final consumption expenditure	-3.8	11.4	15.4	4.0
General gov't final consumption expenditure	-2.7	14.7	29.5	5.6
Gross capital formation	57.0	23.4	7.7	-10**
Imports of goods and services	..	18.1	10.6	-5.3



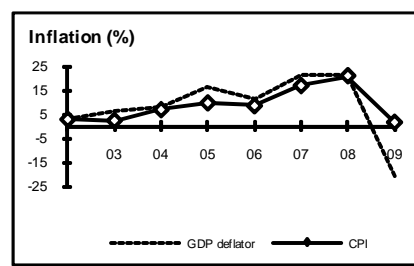
Note: 2009 data are estimates.

This table was produced from the ECSPE and the DEC databases; ECA and LIC data are for 2008.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete. (**) Estimate.

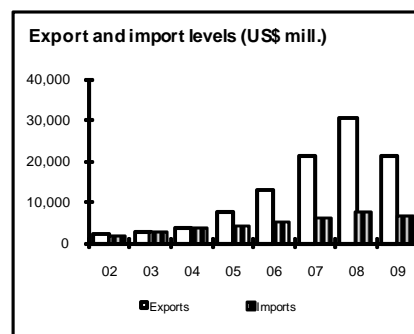
PRICES and GOVERNMENT FINANCE

	1988	1998	2008	2009
Domestic prices				
<i>(% change)</i>				
Consumer prices	..	-0.8	20.8	1.5
Implicit GDP deflator	..	-10	20.9	-21.2
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	19.8	51.1	41.6
Current budget balance	..	-2.1	33.2	19.5
Overall surplus/deficit	..	-3.9	20.8	6.8



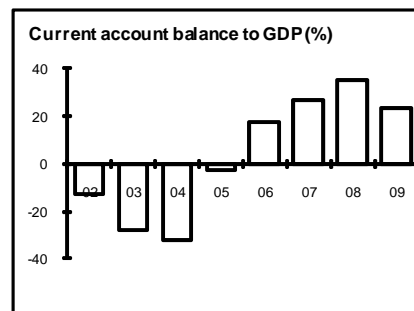
TRADE

	1988	1998	2008	2009
<i>(US\$ millions)</i>				
Total exports (fob)	..	678	30,586	21,097
Crude oil	..	207	26,978	18,348
Petroleum products	..	243	2,165	1,622
Manufactures	..	125	1,065	984
Total imports (cif)	..	1,724	7,575	6,514
Food	..	175	922	737
Fuel and energy	..	356	1,064	700
Capital goods	..	435	3,424	2,910
Export price index (2000=100)	..	57	321	210
Import price index (2000=100)	..	102	125	120
Terms of trade (2000=100)	..	55	257	175



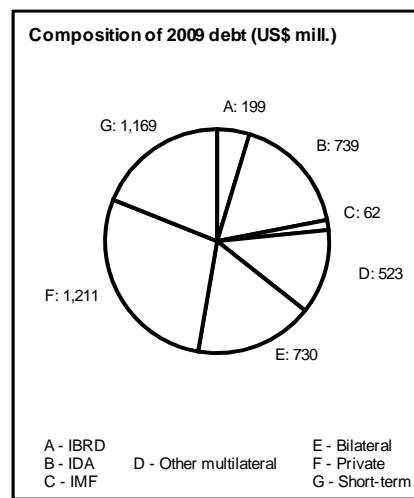
BALANCE of PAYMENTS

	1988	1998	2008	2009
<i>(US\$ millions)</i>				
Exports of goods and services	..	1,009	32,133	22,873
Imports of goods and services	..	2,425	11,464	10,403
Resource balance	..	-1,415	20,669	12,470
Net income	..	-13	-5,266	-3,519
Net current transfers	..	64	1,050	776
Current account balance	..	-1,364	16,454	10,173
Financing items (net)	..	1,303	-4,404	-1,533
Changes in net reserves	..	61	-12,050	-8,640
Memo:				
Reserves including gold (US\$ millions)	..	449	6,467	5,364
Conversion rate (DEC, local/US\$)	..	0.8	0.8	0.8



EXTERNAL DEBT and RESOURCE FLOWS

	1988	1998	2008	2009
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	..	709	4,315	4,865
IBRD	..	0	78	199
IDA	..	141	698	739
Total debt service	..	24	292	397
IBRD	..	0	3	5
IDA	..	1	13	14
Composition of net resource flows				
Official grants	..	36	108	80
Official creditors	..	73	213	296
Private creditors	..	67	350	335
Foreign direct investment (net inflows)	..	1,023	-542	142
Portfolio equity (net inflows)	..	0	0	0
World Bank program				
Commitments	..	40	638	684
Disbursements	..	21	106	166
Principal repayments	..	0	8	9
Net flows	..	21	98	158
Interest payments	..	1	8	10
Net transfers	..	20	90	147



CAS Annex B2 - Azerbaijan
Selected Indicators* of Bank Portfolio Performance and Management

As Of Date 8/19/2010

Indicator	2008	2009	2010	2011
Portfolio Assessment				
Number of Projects Under Implementation ^a	24	24	19	19
Average Implementation Period (years) ^b	2.5	3.2	3.5	3.6
Percent of Problem Projects by Number ^{a, c}	16.7	12.5	15.8	15.8
Percent of Problem Projects by Amount ^{a, c}	4.7	5.4	22.4	22.4
Percent of Projects at Risk by Number ^{a, d}	16.7	16.7	15.8	15.8
Percent of Projects at Risk by Amount ^{a, d}	4.7	7.6	22.4	22.4
Disbursement Ratio (%) ^e	12.2	6.5	9.8	0.4
Portfolio Management				
CPPR during the year (yes/no)				
Supervision Resources (total US\$)				
Average Supervision (US\$/project)				

Memorandum Item	Since FY 80	Last Five FYs
Proj Eval by OED by Number	18	5
Proj Eval by OED by Amt (US\$ millions)	538.9	113.3
% of OED Projects Rated U or HU by Number	27.8	0.0
% of OED Projects Rated U or HU by Amt	23.6	0.0

- a. As shown in the Annual Report on Portfolio Performance (except for current FY).
- b. Average age of projects in the Bank's country portfolio.
- c. Percent of projects rated U or HU on development objectives (DO) and/or implementation progress (IP).
- d. As defined under the Portfolio Improvement Program.
- e. Ratio of disbursements during the year to the undisbursed balance of the Bank's portfolio at the beginning of the year: Investment projects only.
- * All indicators are for projects active in the Portfolio, with the exception of Disbursement Ratio, which includes all active projects as well as projects which exited during the fiscal year.

**CAS Annex B3 - IBRD/IDA
Program Summary**

Proposed IBRD/IDA Base-Case Lending Program ^a

<i>Fiscal year</i>	<i>Proj ID</i>	<i>US\$(M)</i>	<i>Strategic Rewards b (H/M/L)</i>	<i>Implementation b Risks (H/M/L)</i>
2011 -12	Capital Markets Modernization Project		M	L
	AZRIP II		H	L
	Hovsan Wastewater Outfall Project		H	M
	Judicial AF		H	M
	IRRIGATION & DRAINAGE III		H	L
	HIGHER EDUCATION		H	M
	ADCP III		M	L
	IDP II		H	L
	Result	About \$300 m IBRD		
		Plus about \$80 m IDA		
2013 – 14	TBD			

Azerbaijan - Key Economic Indicators

Indicator	Actual			Estimate		Projected			
	2005	2006	2007	2008	2009	2010	2011	2012	2013
National accounts (as % of GDP)									
Gross domestic product ^a	100	100	100	100	100	100	100	100	100
Agriculture	10	8	7	6	7	6	7	7	7
Industry	64	69	71	70	62	65	63	63	62
Services	27	24	22	24	31	28	30	30	31
Total Consumption	48	42	39	35	51	47	51	53	56
Gross domestic fixed investment	41	30	21	20	19	18	18	17	16
Government investment	4	8	10	15	12	10	10	9	8
Private investment	37	22	12	5	6	8	8	8	8
Exports (GNFS) ^b	63	67	68	69	53	58	56	54	53
Imports (GNFS)	53	39	29	25	23	22	24	25	25
Gross domestic savings	52	58	61	65	49	53	49	47	44
Gross national savings ^c	43	48	49	56	42	45	40	39	35
<i>Memorandum items</i>									
Gross domestic product (US\$ million at current prices)	13245	20982	33049	46258	43116	50010	51549	55225	58516
GNI per capita (US\$, Atlas method)	1270	1890	2710	3830	4820	5040	4950	5340	5530
Real annual growth rates (% , calculated from 03 prices)									
Gross domestic product at market prices	26.4	34.5	25.0	10.8	9.3	2.3	0.9	3.9	3.0
Gross Domestic Income	50.0	50.4	40.4	27.5	-24.5	3.5	7.8	8.0	8.9
Real annual per capita growth rates (% , calculated from 03 prices)									
Gross domestic product at market prices	25.1	33.0	23.6	9.6	8.5	1.5	0.1	3.1	2.2
Total consumption	20.2	37.8	15.8	13.7	0.8	4.5	8.0	6.9	4.8
Private consumption	18.8	36.8	14.3	14.1	-0.7	5.6	10.3	8.6	5.7
Balance of Payments (US\$ millions)									
Exports (GNFS) ^b	8332	13955	22517	32133	22873	29016	28715	30004	31210
Merchandise FOB	7649	13015	21269	30586	21097	27024	26411	27358	28193
Imports (GNFS) ^b	7003	8133	9424	11464	9903	11173	12333	13590	14689
Merchandise FOB	4350	5269	6045	7575	6514	7402	8194	9032	9858
Resource balance	1329	5822	13093	20669	12970	17843	16383	16415	16521
Net current transfers	484	566	1005	1050	-62	310	710	910	110
Current account balance	167	3708	9019	16454	10137	13731	11448	11965	11337
Net private foreign direct investment	459	-1289	-5035	-542	152	1245	1667	1842	1879
Long-term loans (net)	142	69	66	2262	568	1099	376	397	476
Official	34	220	185	131	393	1040	461	368	517
Private	108	-151	-119	2131	175	60	-84	29	-40
Other capital (net, incl. E&O) ^e	-608	-1145	-2269	-15715	-11830	-13529	-12430	-12353	-13600
Change in reserves ^d	-161	-1342	-1781	-2460	972	-2547	-1062	-1851	-92
<i>Memorandum items</i>									
Resource balance (% of GDP)	10.0	27.7	39.6	44.7	30.1	35.7	31.8	29.7	28.2
Real annual growth rates (YR03 prices)									
Merchandise exports (FOB)	52.7	39.3	21.0	25.1	46.6	4.0	-3.8	1.9	2.4
Primary	47.5	46.3	54.7	4.3	9.5	3.3	-4.9	1.1	1.5
Manufactures	72.1	-7.0	21.5	29.7	35.0	17.3	13.6	13.6	13.7
Merchandise imports (CIF)	21.4	19.2	13.9	32.1	63.4	19.5	9.1	9.4	9.1

(Continued)

Azerbaijan - Key Economic Indicators (Continued)

Indicator	Actual			Estimate			Projected		
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public finance (as % of GDP at market prices)^e									
Current revenues	25.2	27.2	28.2	57.5	41.6	48.1	48.7	47.1	46.8
Current expenditures	18.2	18.4	16.2	15.6	22.0	21.2	21.3	21.0	20.8
Current account surplus (+) or deficit (-)	7.0	8.8	12.0	41.9	19.5	26.9	27.4	26.1	26.0
Capital expenditure	4.5	9.0	9.7	15.0	12.7	11.6	11.4	10.8	9.3
Foreign financing	0.3	1.4	1.4	0.7	0.9	2.1	0.9	0.7	0.9
Monetary indicators									
M2/GDP	14.7	18.4	20.8	27.8	24.5	25.0	24.9	25.0	25.0
Growth of M2 (%)	22.5	86.8	71.4	79.4	-0.3	21.1	6.4	7.8	7.2
Private sector credit growth / total credit growth (%)	108.4	90.0	97.3	-105.9	148.7	118.5	112.9	97.2	87.4
Price indices (YR03 =100)									
Merchandise export price index	172.5	210.7	212.6	213.6	262.9	329.0	417.9	536.6	699.2
Merchandise import price index	110.1	111.9	113.7	104.7	99.6	96.0	93.3	90.7	88.6
Merchandise terms of trade index	156.6	188.3	187.1	204.0	264.1	342.5	447.7	591.5	789.2
Real exchange rate (US\$/LCU) ^f	102.3	111.2	121.2	139.2	152.4	..	..	..	..
Consumer price index (p.a., % change)	5.5	11.4	19.5	15.4	0.7	5.0	4.5	4.5	4.5
GDP deflator (% change)	16.1	11.3	21.0	20.9	-6.7	14.4	2.6	3.5	3.3

a. GDP at factor cost

b. "GNFS" denotes "goods and nonfactor services."

c. Includes net unrequited transfers excluding official capital grants.

d. Includes use of IMF resources.

e. Consolidated central government.

f. "LCU" denotes "local currency units." An increase in US\$/LCU denotes appreciation.

Azerbaijan - Key Exposure Indicators

Indicator	Actual			Estimated			Projected		
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total debt outstanding and disbursed (TDO) (US\$m) ^a	2043	2586	3593	4309	4859	6027	6527	6906	7371
Net disbursements (US\$m) ^a	300	587	899	2241	549	1184	516	393	474
Total debt service (TDS) (US\$m) ^a	234	271	202	263	379	467	569	690	641
Debt and debt service indicators (%)									
TDO/XGS ^b	22.6	17.4	15.1	12.8	20.4	20.7	21.3	21.5	21.8
TDO/GDP	15.4	12.3	10.9	9.3	11.3	11.8	12.1	11.9	12.0
TDS/XGS	2.6	1.8	0.8	0.8	1.6	1.6	1.9	2.1	1.9
Concessional/TDO	52.8	44.8	35.7	34.1	33.3	29.9	29.4	28.8	27.2
IBRD exposure indicators (%)									
IBRD DS/public DS	0.0	0.9	0.8	1.3	0.9	1.5	1.8	8.7	13.7
Preferred creditor DS/public DS (%) ^c	62.6	50.4	51.2	31.2	29.1	25.6	21.4	27.0	35.1
IBRD DS/XGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
IBRD TDO (US\$m) ^d	0	5	21	78	146	314	570	835	1179
Of which present value of guarantees (US\$m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share of IBRD portfolio (%)	0	0	0	0	0	0	1	1	1
IDA TDO (US\$m) ^d	501	583	660	698	712	744	774	800	817
IFC (US\$m)									
Loans	30.8	8.6	29.6	42.6	54.1	68.4	..	..	..
Equity and quasi-equity /c	3.0	1.6	4.1	7.4	7.4	7.4	..	..	..
MIGA									
MIGA guarantees (US\$m)	0	0	0	0	0	0	..	..	..

a. Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.

b. "XGS" denotes exports of goods and services, including workers' remittances.

c. Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.

d. Includes present value of guarantees.

e. Includes equity and quasi-equity types of both loan and equity instruments.

Azerbaijan Social Indicators

	Latest single year			Same region/income group	
	1980-85	1990-95	2002-08	Europe & Central Asia	Lower-middle-income
POPULATION					
Total population, mid-year (millions)	6.7	7.7	8.7	443.3	3,703.0
Growth rate (% annual average for period)	1.6	1.4	1.0	0.1	1.2
Urban population (% of population)	53.5	52.2	51.9	63.7	41.3
Total fertility rate (births per woman)	2.9	2.3	2.3	1.8	2.5
POVERTY					
<i>(% of population)</i>					
National headcount index*	..	68.1	15.8	..	..
Urban headcount index	..	..	..	..	..
Rural headcount index	..	..	..	..	..
INCOME					
GNI per capita (US\$)**	..	400	4,280	7,350	2,073
Consumer price index (2000=100)	..	69	194	133	126
Food price index (2000=100)	..	95	110	..	..
INCOME/CONSUMPTION DISTRIBUTION					
Gini index	..	35.0	16.8	..	..
Lowest quintile (% of income or consumption)	..	6.9	13.3	..	..
Highest quintile (% of income or consumption)	..	42.0	30.2	..	..
SOCIAL INDICATORS					
Public expenditure					
Health (% of GDP)	..	..	1.0	3.7	1.8
Education (% of GDP)	..	3.5	1.9	4.5	4.0
Net primary school enrollment rate					
<i>(% of age group)</i>					
Total	..	89	96	92	87
Male	..	89	97	93	89
Female	..	89	95	92	86
Access to an improved water source					
<i>(% of population)</i>					
Total	..	70	78	95	86
Urban	..	85	95	99	94
Rural	..	53	59	88	81
Immunization rate					
<i>(% of children ages 12-23 months)</i>					
Measles	..	64	66	96	81
DPT	..	74	70	96	79
Child malnutrition (% under 5 years)	..	..	8	..	25
Life expectancy at birth					
<i>(years)</i>					
Total	65	65	70	70	68
Male	62	61	68	66	66
Female	69	70	73	75	70
Mortality					
Infant (per 1,000 live births)	81	75	32	19	45
Under 5 (per 1,000)	102	93	36	22	64
Adult (15-59)					
Male (per 1,000 population)	262	216	181	305	204
Female (per 1,000 population)	127	96	110	126	138
Maternal (modeled, per 100,000 live births)	..	..	82	45	370
Births attended by skilled health staff (%)	..	..	88	97	65

Note: 0 or 0.0 means zero or less than half the unit shown. Net enrollment rate: break in series between 1997 and 1998 due to change from ISCED76 to ISCED97. Immunization: refers to children ages 12-23 months who received vaccinations before one year of age or at any time before the survey. (*) Living Standards measurement Survey 2008/9. (**) GNI per capita for 2009.

Annex B3

Azerbaijan: IFC Investment Operations Program

	2006	2007	2008	2009	2010
<u>Commitments (US\$m)</u>					
Gross	13.00	31.00	28.00	46.00	30.00
Net*	13.00	31.00	28.00	46.00	30.00
<u>Net Commitments by Sector (%)</u>					
Financial Markets	100%	42%	90%	100%	100%
General Manufacturing		58%	10%		
Total	100%	100%	100%	100%	100%
<u>Net Commitments by Investment Instrument (%)</u>					
Equity	17%	2%	10%		
Loan	83%	68%	60%	60%	67%
Guarantee		11%	12%	19%	33%
Quasi-Equity**		19%	18%	21%	
Total	100%	100%	100%	100%	100%

** IFC's Own Account only

** includes quasi-equity loan type

CAS Annex B4 - Summary of Nonlending Services - Azerbaijan

**As Of Date
August 2010**

<i>Product</i>	<i>Completion FY</i>	<i>Cost (US\$000)*</i>	<i>Audience^a</i>	<i>Objective^b</i>
Recent completions				
Accounting Development TA	FY07	286	G, B	K, PS
Structural Reform Support	FY07-09	200pa	G, B	K, PS
Educational Review	FY08	356	G, B	K
Corporate Bond TA (FIRST)	FY08	183	G	K, PS
Advice on Insurance Law TA (FIRST)	FY08	58	G	K, PS
Country Procurement Assessment Review	FY09	128	G, B	K, PD, PS
Corporate Governance Assessment (ROSC)	FY09	64	G, D, B, PD	K, PD, PS
Financial Sector Advisory TA	FY09	133	G, B	K, PS
SOE Governance Assessment	FY10	67	G, D, B, PD	K, PD, PS
SOCAR Gas Flaring Reduction TA	FY10	205	G, B	K, PS
Country Economic Memorandum	FY10	555	G, D, B, PD	K, PD, PS
Poverty Assessment (programmatic)	Annual	120pa	G, D, B, PD	K, PD, PS
Public Expenditure Review (programmatic)	Annual	100pa	G, D, B, PD	K, PD, PS
Presidential Forum	FY10	147	G, D, B, PD	K, PD, PS
Underway/Panned				
Public Expenditure Reviews (programmatic)	Annual	100pa	G, D, B, PD	K, PD, PS
Poverty Assessment (programmatic)	Annual	120pa	G, D, B, PD	K, PD, PS
Economic and Development Policy Dialogue	Annual	150pa	G, B	K, PS
Financial Sector Monitoring	Annual	75pa		
Environmental Investment Priorities	FY11	162	G, D, B, PD	K, PD, PS
Crisis Impact on IDPs	FY11	55	G, D, B, PD	K, PD, PS
Capital Market Development TA (FIRST)	FY11	123	G	K, PS
Education Review	FY11			
Agriculture and Irrigation Strategy	FY11-12			
Solid Waste Management Strategy	FY11-12			
Transport Sector Strategy	FY12-13			
Health Trends and Strategy	FY13-14			
Fiduciary Follow-up (CPAR, ROSC etc)	FY12-14			
Jobs and Growth Report	FY12-13			
Climate Change Adaptation	FY12-14			

a. Government, donor, Bank, public dissemination.

b. Knowledge generation, public debate, problem-solving.

* Costs for outer years are estimated.

International Finance Corporation
Statement of IFC's Committed and Outstanding Portfolio

Amounts in US Dollar Millions

Accounting Date as of : 08/31/2010

Region(s): Southern Europe and Central Asia

Country(s) : Azerbaijan

Commitment	Institution	LN	ET	QL + QE	GT	ALL	ALL	LN	ET	QL + QE	GT	ALL	ALL
Fiscal Year	Short Name	Cmt'd - IFC	Cmt'd - IFC	Cmt'd - IFC	Cmt'd - IFC	Cmt'd - IFC	Cmt'd - Part	Out - IFC	Out - IFC	Out - IFC	Out - IFC	Out - IFC	Out - Part
	A&DA Holding	0	0.03	0	0	0.03	0	0	0.02	0	0	0.02	0.00
2007	ADA-Ticaret	10.91	0	5.97	0	16.88	0	10.91	0	5.97	0	16.88	0.00
2003/ 2006/ 2007/ 2008/ 2009	AccessBank	18.86	4.41	0	0	23.27	0	15.10	4.36	0	0	19.46	0.00
2004	BTC Pipeline	20.45	0	0	0	20.45	17.03	20.45	0	0	0	20.45	17.03
1998/ 2003/ 2006/ 2007/ 2008/ 2009/ 2010/ 2011	Azerigazbank	1.00	3.06	10.00	3.31	17.37	0	1.00	3.06	5.00	3.31	12.37	0.00
2008	Azet	1.24	0	1.00	0	2.24	0	1.24	0	1.00	0	2.24	0.00
2008/ 2009	Credagro	4.23	0	4.00	0	8.23	0	2.93	0	4.00	0	6.93	0.00
2009/ 2010	DemirBank AZE	5.00	0	0	3.23	8.23	0	5.00	0	0	3.23	8.23	0.00
1998/ 2003/ 2007	Rabitabank	0	0	0.75	0	0.75	0	0	0	0.75	0	0.75	0.00
2007/ 2008/ 2009/ 2010/ 2011	Respublika	23.13	0	0	1.03	24.15	0	3.13	0	0	1.03	4.15	0.00
2006/ 2007/ 2008/ 2009/ 2010	UniBank	3.63	0	0	1.52	5.15	0	3.63	0	0	1.52	5.15	0.00
Total Portfolio		88.43	7.50	21.72	9.10	126.75	17.03	63.37	7.44	16.72	9.10	96.63	17.03

CAS Annex B8 - Azerbaijan
Operations Portfolio (IBRD/IDA and Grants)
As Of Date 8/19/2010

Closed Projects 24

IBRD/IDA *

Total Disbursed (Active)	405.32
of which has been repaid	0.00
Total Disbursed (Closed)	280.93
of which has been repaid	32.59
Total Disbursed (Active + Closed)	686.25
of which has been repaid	32.59
Total Undisbursed (Active)	1,838.10
Total Undisbursed (Closed)	0.00
Total Undisbursed (Active + Closed)	1,838.10

Active Projects

Project ID	Project Name	Last PSR		Fiscal Year	Original Amount in US\$ Millions			Cancel.	Undisb.	Difference Expected as Disburse Orig.
		Supervision Rating			IBRD	IDA	GRANT			
		Development Objectives	Implementation Progress							
P090887	ADCP-II	S	S	2006		29.2			3.334745	0.0829783
P110679	ARP/ II-INTEGRAT. SOLID	S	MS	2008	29.5				28.50848	10.448475
P118023	Azerbaijan Highway III	#	#	2010	171.6	70			241.9751	3.3333333
P099924	CORP & PUB SEC ACCT - MU		MU	2008		11			10.27054	5.9333333
P094220	Health Sector Reform Proje	S	S	2006		50			39.75633	17.782137
P094488	Highway 2	S	MS	2006	613	62			471.4496	-10.51552
P089751	IDP ECON DEVT SUPPOFS		S	2005		26.5		0.013391	10.10927	-4.470251
P008286	IRRIG DIST SYS & MGMT	S	S	2003		35			0.136843	-4.542592
P099201	JUDICIAL MOD	MS	MS	2006		21.6			15.17096	13.942673
P096213	NATIONAL WATER SUPPIU		U	2007	230				221.0603	154.39368
P049892	PENSION & SOC ASST	S	S	2004		10			2.480456	-6.838806
P083341	POWER TRANSMISSION	S	S	2005	48				10.24291	10.242908
P115396	Public Investment Capacity	S	S	2009		8			7.765912	2.0333333
P083108	RAIL TRADE AND TRANS	S	S	2008	450				447.375	116.04167
P100582	REAL ESTATE REG.	S	MS	2007	30				23.44189	7.4752281
P076234	RURAL INVSMT (AZRIP)	S	S	2004		30		0.000006	5.769026	-9.629457
P105116	SOCIAL PROTECTION DE	MS	MS	2008		26.7			22.58709	17.753569
P102117	Second Education Sector	MS	MS	2008		25			22.1051	5.9079508
P109961	Second National Water Sup	MU	MU	2008	230	30			254.5644	80.926734
Overall Result					1802.1	435		0.013397	1838.104	410.30137

