ANNUAL REPORT 2018

JANUARY 2019
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>INTRODUCTION</td>
</tr>
<tr>
<td>03</td>
<td>I. IMPROVING THE BUSINESS ENVIRONMENT AND INTERNATIONAL RANKING</td>
</tr>
<tr>
<td>04</td>
<td>1.1. 25th place in the &quot;Doing Business 2019&quot; Report and the success as &quot;The most reformist country&quot;</td>
</tr>
<tr>
<td>04</td>
<td>1.2. Activities of the Secretariat of the Commission on Business Environment and International Ranking</td>
</tr>
<tr>
<td>06</td>
<td>II. MONITORING AND EVALUATION ACTIVITIES</td>
</tr>
<tr>
<td>06</td>
<td>2.1. Monitoring of Strategic Roadmaps</td>
</tr>
<tr>
<td>06</td>
<td>2.2. Evaluation of State Programs</td>
</tr>
<tr>
<td>07</td>
<td>2.3. Monitoring and evaluation of self-employment measures</td>
</tr>
<tr>
<td>07</td>
<td>2.4. Improvement of monitoring and evaluation system</td>
</tr>
<tr>
<td>07</td>
<td>2.5. Development of innovative monitoring and evaluation software</td>
</tr>
<tr>
<td>08</td>
<td>III. ECONOMIC ANALYSIS AND RESEARCH</td>
</tr>
<tr>
<td>08</td>
<td>3.1. Computable General Equilibrium (CGE): development and application</td>
</tr>
<tr>
<td>08</td>
<td>3.2. Development and application of the AZEORANI model</td>
</tr>
<tr>
<td>09</td>
<td>3.3. Studies based on the Financial Programming Model</td>
</tr>
<tr>
<td>10</td>
<td>3.4. Analysis and strategies on fiscal and monetary sector</td>
</tr>
<tr>
<td>10</td>
<td>3.5. Analysis of the application of Crowdfunding financing in Azerbaijan</td>
</tr>
<tr>
<td>11</td>
<td>IV. INTERNATIONAL COOPERATION</td>
</tr>
<tr>
<td>11</td>
<td>4.1. Cooperation with international organizations</td>
</tr>
<tr>
<td>11</td>
<td>4.1.1. Cooperation with the World Bank</td>
</tr>
<tr>
<td>11</td>
<td>4.1.2. Cooperation with International Finance Corporation (IFC)</td>
</tr>
<tr>
<td>11</td>
<td>4.1.3. Cooperation with Asian Development Bank (ADB)</td>
</tr>
<tr>
<td>11</td>
<td>4.1.4. Cooperation with the UN Development Program (UNDP)</td>
</tr>
<tr>
<td>12</td>
<td>4.1.5. Cooperation with the European Union (EU)</td>
</tr>
<tr>
<td>12</td>
<td>4.1.6. Cooperation with the Organization for Economic Cooperation and Development (OECD)</td>
</tr>
<tr>
<td>12</td>
<td>4.1.7. Cooperation with the American Chamber of Commerce in Azerbaijan</td>
</tr>
<tr>
<td>12</td>
<td>4.1.8. Cooperation with other organizations</td>
</tr>
<tr>
<td>13</td>
<td>4.2. International trips</td>
</tr>
<tr>
<td>15</td>
<td>V. COMMUNICATION ACTIVITIES</td>
</tr>
<tr>
<td>17</td>
<td>5.1. Public access to economic policy and reform measures</td>
</tr>
<tr>
<td>17</td>
<td>5.2. Overview of economic reforms in Azerbaijan</td>
</tr>
<tr>
<td>17</td>
<td>5.3. Export Review</td>
</tr>
</tbody>
</table>
The annual report covering the period from January 1 to December 31, 2018 reflects the tasks arising from the Center for Economic Reforms Analysis and Communication (CERAC) (hereinafter – the Center) and the measures implemented in accordance with the new mandates entrusted.
I. Improving the business environment and international ranking

1.25th place in the "Doing Business 2019" Report and the success as "The most reformist country".

In accordance with the Order No. 2199 of the President of the Republic of Azerbaijan dated July 13, 2016 "On additional measures to improve the Business Environment in the Republic of Azerbaijan and further improve the position of the state in international rankings", the survey questionnaires developed by relevant state bodies were reviewed and certain changes or additions were made in order to submit to "Doing Business" Mission as a continuation of the measures taken to advance Azerbaijan's position in the World Bank's "Doing Business 2019" Report. The materials required by the "Doing Business" Mission have been developed in coordination with relevant bodies and submitted to the World Bank accordingly.

In accordance with the Order No. 2199 of the President of the Republic of Azerbaijan dated July 13, 2016 "On additional measures to improve the Business Environment in the Republic of Azerbaijan and further improve the position of our country in international rankings", a number of measures have been taken to promote the position of Azerbaijan in the World Bank's "Doing Business 2019" Report.

1. Two special editions of "Azerbaijan Economic Reforms Review" on "Doing Business" reforms have been prepared. One of the special edition covers the reforms carried out on general indicators, the other on the "Obtaining Construction Permits" indicator.

2. In order to be presented to the "Doing Business" Mission, all materials included in the relevant bodies were reviewed and necessary changes were made in the form of coordination with these bodies.

3. Statistical data on 10 indicators of "Doing Business" Report were collected and as a result of the collection of these statistical indicators, rapid application of relevant normative legal acts was ensured.

4. "Reform Update Report 2019" has been developed and submitted to the "Doing Business" Mission jointly with the relevant agencies.

5. Meetings of the "Doing Business" Mission with executive organizations were organized and the relevant materials required by the Mission were collected and submitted.

During the reporting period, the Order of the President of the Republic of Azerbaijan dated June 2, 2017 approved the "Action Plan on the implementation of the Order No. 2199 of the President of the Republic of Azerbaijan dated July 13, 2016 "On additional measures to improve the Business Environment in the Republic of Azerbaijan and further improve the position of our country in international rankings". The Action Plan was formulated on the basis of 5 international index assessments, 155 measures in the direction of 18 working groups. Monitoring of the said Action Plan was carried out, a report was drawn up accordingly.

1.2 Activities of the Secretariat of the Commission on Business Environment and International Ranking

The Secretariat of the Commission on Business Environment and International Ranking was established in accordance with the Order No. 2199 of the President of the Republic of Azerbaijan dated July 13, 2016 "On additional measures to improve the efficiency of the Business Environment in the Republic of Azerbaijan and to further improve its position in international rankings".

Order No. 431 of August 27, 2018 "On Amendments to the Decree No.2199 of the President of the Republic of Azerbaijan dated July 13, 2016 "On additional measures for improving
the Business Environment of the Republic of Azerbaijan and further improvement of our country's position" was signed. According to the Order, the

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As a result of the measures taken and the work done, Azerbaijan was ranked 25th in the "Doing Business 2019" Report and regarded as the most reformist country. The awarding of the Executive Director of the Center with "Tereqqi" ("Progress") medal among those who were awarded by the Order of the President of the Republic of Azerbaijan dated November 12, 2018 for their contribution to the improvement of the Business Environment in the Republic of Azerbaijan and for their effective activity in the field of further improvement of the position of our country in international rankings.

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Order, the Statute on the Commission on Business Environment and International Ranking was approved, and the task was given to create an Internet portal on the Business Environment and the activity of the Commission on Business Environment and International Ranking.

According to Article 3.1.4 of the Statute on the Commission on Business Environment and International Ranking approved by Order No. 431 of August 27, 2018, 18 Working Groups of the Commission were established. Working Groups consist of at least 5 members (including the Manager). The management of Working Groups shall be carried out by one of the Deputy Heads of the relevant organization.

Secretaries of Working Groups were elected as a representative of the governing bodies of that Working Group. The Secretariat of the Commission consists of 22 members, including employees of the Center and other state bodies.

Several meetings of the Secretariat of the Commission were organized, primary and comprehensive information was presented to the Secretaries. Furthermore, joint analysis with other members of the Secretariat was carried out in the direction of forming the Internet portal intended to be established in connection with the activities of the Commission on international indices envisaged in the “Action Plan” approved by the Order of the President of the Republic of Azerbaijan dated June 2, 2017, necessary information on indices was collected and translations have been made accordingly.

At the next stage, meetings of Working Groups were organized, discussions were held on the development of Action Plans by Working Groups to further improve the position of Azerbaijan in international rankings, coordination between the Commission and Working Groups was ensured.

At the same time, regular meetings and discussions were organized for permanent information of Secretariat members and Working Groups accordingly.
II. Monitoring and evaluation activities

2.1 Monitoring of Strategic Roadmaps

In order to accelerate the implementation of the measures defined in the Strategic Roadmaps approved by the Decree No. 1138 of the President of the Republic of Azerbaijan dated December 6, 2016 “On approval of Strategic Roadmaps for the main sectors of the National Economy and Economy”, as well as to improve the monitoring and evaluation system of Strategic Roadmaps, 11 meetings of the Coordination Committee with the relevant Working Groups were held in January 2018.

At the meetings, the detailed draft Action Plans prepared for effective organization of the implementation of the measures envisaged in the Action Plans of Strategic Roadmaps were submitted to Working Groups, as well as the future directions of the Working Groups were discussed. The discussions were organized by the Secretariat established at the Center and protocol was made accordingly.

Reports and supporting documents submitted by the coordinating bodies for monitoring and evaluation of the implementation of Strategic Roadmaps (total 11 Strategic Roadmaps) in 2017 were analyzed by the Center’s subordinated employees, if necessary, discussions were held with the representatives of executive agencies and additional supporting documents were obtained. As a result of the process, Annual Monitoring and Evaluation Reports, relevant evaluation calculations and summary presentation materials were developed and submitted.

Annual Monitoring and Evaluation (M/E) Reports on the implementation status of Strategic Roadmaps for 2017 have been developed and approved and made public.

In order to improve the M/E work of Strategic Roadmaps, regular meetings were held and their questions were answered in accordance with the requests of executive agencies.

Separate discussions were held with each of the Working Groups created on Strategic Roadmaps in November-December to explain the survey formats intended for the further development of M/E in 2018, as well as to discuss other issues. At the joint meetings, interim results of the implementation of Strategic Roadmaps, coordination issues and ways of solving the challenges were discussed in detail, and issues related to the development, implementation, and communication of Action Plans in a unified format were covered in the discussions held with the participation of more than 40 heads of state bodies.

2.2. Evaluation of State Programs

Based on the relevant task, the Assessment Report on the implementation of the “State Program on the development of official statistics in the Republic of Azerbaijan in 2013-2017” was prepared and submitted to the management. Each section of the Program was evaluated separately and a descriptive Report of Progress and evaluation tables of the implemented activities were drawn up.

Four main sources were used to assess the implementation of the State Program:

1. Information on the results of the State Statistical Committee on the implementation of the State Program;
2. The objectives of the measures identified in the Action Plan for the implementation of the State Program and the expected results of their implementation;
3. Official website of the State Statistical Committee;

At the same time, monitoring of the “Action Plan on the implementation of the Order No. 2199 of the President of the Republic of Azerbaijan dated July 13, 2016 “On additional measures to improve the Business Environment in the Republic of Azerbaijan and further improve the position of our country in international rankings” has been started.

Monitoring and evaluation of the implementation of the measures envisaged in the State Program under Article 3 of the Decree No. 508 of the President of the Republic of Azerbaijan dated September 26, 2018 on approval of the “State Program on the expansion of digital payments in the Republic of Azerbaijan in 2018-2020” was instructed to be carried out by the Center on
the order of the Central Bank of the Republic of Azerbaijan (CBA).

In this regard, negotiations were held with the CBA, the first meeting of the Working Group on the implementation of the State Program was attended and necessary recommendations were given to the participants on the M/E process.

In connection with the provision of services, the relevant order form was drawn up and submitted to CBA in a professional manner and the relevant order was officially received by the Center. The financial and economic feasibility study for monitoring and evaluation of implementation of the State Program in accordance with Article 3.3 of “Guidelines for ordering and financing of the Center for Economic Reforms Analysis and Communication by State Authorities” approved by Decree No. 1135 of the President of the Republic of Azerbaijan dated November 30, 2016, has been prepared and submitted to the customer, after the full agreement has been drawn up and signed.

At the same time, a Methodological Framework was developed on the basic principles of monitoring and evaluation of the State Program and a detailed Action Plan was revised and sent to the CBA.

2.3. Monitoring and evaluation of self-employment measures

During the reporting period, the Center continued its activities in the direction of monitoring and evaluation of self-employment activities to ensure the implementation of the Decree No.1758 of the President of the Republic of Azerbaijan dated December 25, 2017. In accordance with the Action Plan on monitoring and evaluation of the work carried out by the Center in connection with the organization of self-employment measures, the Ministry of Labour and Social Protection of Population held relevant discussions and questionnaires were prepared jointly with the experts of the World Bank in order to conduct a survey among the participants.

Preliminary information was obtained from the Ministry of Labour and Social Protection of Population in connection with the organization of self-employment measures in 2018. In the first quarter of 2019, a Final Report on the monitoring and evaluation of the work carried out in connection with the organization of self-employment measures will be prepared.

At the same time, in accordance with the Decree of the President of the Republic of Azerbaijan dated December 21, 2018 “On the application of the Law No. 1351-VQ of the Republic of Azerbaijan dated November 30, 2018 “On the budget of the Insurance Fund for Unemployment” dated December 21, 2019, the Center was instructed to carry out monitoring and assessment of the work done on the organization of self-employment measures.

2.4. Improvement of monitoring and evaluation system

A Methodological Framework has been developed for Internal Monitoring and Evaluation by the Center. Monitoring and evaluation (M/E) is designed to monitor and assess the level of implementation of the Center’s Annual Activity Plan (AAP).

The first 6-month implementation of the Activity Plan of the Center for 2018 was monitored, the assessment was carried out on each event taking into account the main indicators of targeted Key Performance Indicators (KPIs) and the quality of the work carried out, and the relevant report was prepared.

According to the Order No.f-11/18 of the Executive Director of the Center dated 26.11.2018, the current state of implementation of the measures determined in the Activity Plan for November-December 2018 was determined in order to conduct annual monitoring and evaluation.

2.5. Development of innovative monitoring and evaluation software

With the support of BP Azerbaijan, the project “Modernization of the electronic monitoring and evaluation infrastructure of the Center for Economic Reforms Analysis and Communication” has been launched in October 2018. The main objective of the project is to modernize the electronic monitoring and evaluation infrastructure of the Center through the development of innovative software. The new software to be developed will be used to monitor and evaluate the measures implemented by the government within the framework of Strategic Roadmaps. This software will help the Center effectively process the information it receives from 47 state bodies, including ministries, agencies and committees on a regular basis. Along with the implementation of Strategic Roadmaps, the Center will be able to monitor and evaluate the implementation of some state programs adopted with the help of this software.
3.1. Computable General Equilibrium (CGE): development and application

Since last year, work has been started in the Center on the development of various economic and mathematical models for fundamental economic analysis. Thus, in order to investigate in detail the effects of reforms in Economic Policy, including possible foreign economic shocks on the country’s economic as well as social system, the development of Computable General Equilibrium (CGE), widely used in developed and developing countries of the world, has been launched. At the initial stage, Social Accounting Matrix, which includes the real sector of the Azerbaijan economy and is the main statistical base of Computable General Equilibrium (CGE), was developed and balanced using statistical methods.

At a later stage, the initial version of the model was developed in the GAMS (General Algebraic Modeling System) software and the model was integrated into the Social Accounting Matrix. This model for the Azerbaijan economy is named the AzCGE model. A micro-simulation component (model) has been added to the AzCGE model, which allows in-depth analysis of the impact of Economic Policy on socio-economic indicators. The initial version of the developed model was used to run several simulation scenarios. Thus, the expected impact of changes in the price of crude oil on the world market, simplification of the visa regime, possible changes in Agrarian Policy, etc. on the economy has been analyzed in detail and presentations have been made. At present, work is underway to develop a more advanced version of the model. Taking into account the fact that the developed model includes the real sector of the National Economy, work has been started to add the monetary sector to this model as well.

3.2. Development and application of the AZEORANI model

In addition to the above, the Center, with the support of the Asian Development Bank (ADB), took an active part in the development of an adapted version of the ORANI model developed for this country by the professors of Victoria University in Australia to the Azerbaijan economy. As this model is dynamic, it will enable long-term analysis of the effects of possible economic shocks on the Azerbaijan economy. The initial version of the model was developed and the results were presented during the visit of the experts of the Asian Development Bank (ADB) to Azerbaijan.

3.2. Studies based on the Financial Programming Model

Within the framework of the technical support of the State Secretariat for Economic Affairs (SECO), trainings were held for employees by Benedikt Braumann, expert of the Swiss State Secretariat for Economic Affairs in January and June on the methods and principles of the “Financial Programming - FP” model of the International Monetary Fund (IMF).

Within the framework of the training, medium and long-term forecasts on growth of Gross Domestic Product (GDP), inflation, financial flows and transfers from the Oil Fund have been developed by diagnosing real, fiscal, monetary, and foreign sectors of the National Economy.

During the training held in January, calculation and forecasting were carried out in the following areas:

1. Based on the Cobb Douglas production function and Robert Solow growth theory until 2030, non-oil potential GDP growth forecast;
2. Forecast of oil and gas production and budget revenues by 2020;
3. Forecasts for the monetary and foreign sectors.

Research on “Oil price scenarios and impact on real sector, state budget and oil revenues” based on “Financial programming - FP” model of the International Monetary Fund (IMF) was conducted under the direction of Benedikt Braumann, expert of the Swiss State Secretariat for Economic Affairs in March-April of the reporting period. Various scenarios were developed and the impact on the state budget - taxes from the oil sector and revenues from the Oil Fund, transfers to the state budget and budgetary expenditures was assessed. During this study, 2 fiscal strategies (including Procyclical and Countercyclical Strategies) were analyzed. The impact of these scenarios on the National Economy (especially growth in the non-oil sector, inflation, Central Bank balance, balance of payments and foreign exchange reserves) was assessed. As a result of the study, it was found that Procyclical Fiscal Policy is useful for short-term...
while it creates a financial deficit for medium-term.

In June of this year, a 5-day FP model seminar was held and analyses and forecasts were made on both the real sector and the financial sector. The model was built on the basis of real data on the Production Sharing Agreement (PSA), oil revenues and SOCAR reserves. The model includes forecasts for oil revenues, non-oil revenues, transfers from the Oil Fund, assets of the Oil Fund and Public Debt for the period up to 2035, taking into account potential GDP forecasts of the non-oil economy in January.

During the analysis of fiscal sector, state budget, Oil Fund, Budget of Nakhchivan Autonomous Republic, Social Protection Fund and investment projects financed from abroad were taken into account. Over the past few years, financial assets and liabilities in the public sector have been analyzed and preliminary forecasting of these indicators by 2035 was made.

In addition, the dynamics of the assets of the Oil Fund and the ratio of Public Debt to GDP were calculated separately. As a result of the study, risks were identified that Debt Resilience would be critical for the period after 2024 and that financing needs would increase.

The main topic of the research was the development of medium and long-term forecasts on the dynamics of Economic Growth, Deficit, Inflation, financial flows and transfers from the Oil Fund. Statistical data on financial status of state bodies (Azerenergy, Azersu, Seaport, Railways, etc.) was analyzed in order to prepare forecasts for the balance and flow of financial liabilities of state and state enterprises.

During the reporting period, the impact of private investment in the non-oil economy, which sectors contribute more to non-oil investments, the share of Public Expenditure and subsidies in this area, private investments, which sector should occur without state financing, what obstacles should be taken in areas where private investment is not made. In order to prepare the Reform Proposal, comparative analysis of the sectors with government intervention (sectors developing at the expense of government expenditure) and the sectors developing even without government intervention was carried out.

According to the World Economy Report prepared by the Organization for Economic Cooperation and Development (OECD), the real sector analysis, the forecast of the Output Deficit, growth points, the budget deficit in the fiscal sector, the budget revenues and expenditure forecasts, fiscal rule, the framework of medium-term expenditure and the potential impact of the Debt Strategy were analyzed. After obtaining the annual macro-economic indicators for 2018, the Report will be presented.

During the reporting period, the Department of Economic Analysis and Analytical Data developed the medium- and long-term strategy on Public Debt management in the Republic of Azerbaijan. This draft Strategy is designed to further strengthen the country’s financial stability, increase the efficiency of Public Borrowing, improve the effective management and control of risks in this area, taking into account the new challenges and opportunities, as well as meet the financial needs of the state at the lowest cost.

Also, important factors related to Public Debt in the Strategy, including the Macroeconomic and Fiscal Framework, the settlement of the Debt Resilience Framework, the development of local and recurrent financial markets, the strengthening of infrastructure, and other issues were covered.

During the reporting period, the development opportunities of Crowdfunding, which is an innovative type of financing in our country, were investigated, the directions of its application within the framework of the legislation of the Republic of Azerbaijan, its strengths and weaknesses, opportunities and threats were identified in the format of the SWOT analysis. International experience has also been considered. In addition, according to the Charter of the Center, the possibilities of which form of this activity can be applied have been studied.

3.3. Analysis and strategies on fiscal and monetary sector

The Department of Economic Analysis and Analytical Data developed the medium- and long-term strategy on Public Debt management in the Republic of Azerbaijan. This draft Strategy is designed to further strengthen the country’s financial stability, increase the efficiency of Public Borrowing, improve the effective management and control of risks in this area, taking into account the new challenges and opportunities, as well as meet the financial needs of the state at the lowest cost.

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3.5. The Potential of Blockchain Technology Application in Azerbaijan.

In May of this year, the Center hosted a seminar on "The Potential of Blockchain Technology Application in Azerbaijan". The seminar was attended by Daniele De Gennaro, financial market policy advisor of the European Banking Federation and Head of the Blockchain Group, Pavel Prokodin, Director of SWIFT accounts of Banking Markets of Russia, CIS and Mongolia, Andrey Drozdov, General Manager of KPMG Information Risk Management Group of Russia, and Agil Azimov, Senior Specialist in Information Risk Management of KPMG Azerbaijan.

The potential of using robot consultants and Chatbot have been considered, the Work Plan reflecting possible activities in this direction has been prepared.

In order to support the promoters in the implementation of the projects placed on the portal, the Center conducted cooperation negotiations with state and private organizations, developed joint Action Plans through coordination and held negotiations related to the application of Memoranda of Understanding (MoUs).

In the "Why Azerbaijan?" section, all procedures starting from the investment environment in Azerbaijan to the closure of enterprises before starting business are presented in a brief, understandable, and infographic manner.

Meetings were held at the Center with the authors of projects of interest to investors.
4.1 Cooperation with international organizations

4.1.1. Cooperation with the World Bank (WB)

During the reporting period, the Head of the Center held relevant meetings with officials and ambassadors of different countries. During the reporting period, the Center started holding educational exhibitions organized jointly with the World Bank (WB). The first educational exhibition on “Using transport and logistics to create economic opportunities” presented the results of the analysis and evaluations conducted by the WB in this field. At the event, information was given about the measures taken in the direction of Modernization of Transport Infrastructure, expansion of transit opportunities, creation of modern transport infrastructure, increase of transit potential, transformation of Azerbaijan into an important transport and logistics center (hub) in the region under the leadership of President Ilham Aliyev.

The second educational exhibition organized jointly with the WB was held on “Higher Education, Business Incubators and Business Diagnostics” and presented the results of the WB’s analyses and evaluations in this field. At the event, the purpose of holding an educational exhibition, presentation of the latest analytical activities and results of diagnostic studies and evaluations in selected sectors of the Azerbaijan economy were discussed with the main stakeholders.

The presentation of the experts of the WB on “Development of Rural Areas and Agriculture” was heard at the 3rd educational exhibition organized by the WB in the Center and the main radical changes in the agrarian sector were discussed as a result of the systematic economic reforms carried out in Azerbaijan in recent years. At the event, views were exchanged on important issues such as Food and Food Safety, Regional and Rural Development Programs and recommendations of the WB were presented.

During the reporting period, cooperation between the WB and the Center within the framework of the “Strengthening Monitoring and Evaluation Potential” project continued. Monitoring and Evaluation expert of the World Bank Annette Richter continued training on Monitoring and Evaluation for the employees of the Center, as well as representatives of up to 20 government agencies.

During the reporting period, an agreement was reached on expert support and training to strengthen the Center’s capacity for monitoring and evaluation of the Self-employment Program.

4.1.2. Cooperation with International Finance Corporation (IFC)

During the reporting period, cooperation between the International Financial Corporation (IFC) and the Center was carried out within the framework of the “Development of Investment Environment and Investment Roadmap” project. In this regard, meetings were held with the IFC representatives on the development of Technical Specifications (TSs) of the project and determination of contract provisions and agreement was reached on implementation of the Project.

4.1.3. Cooperation with Asian Development Bank (ADB)

During the reporting period, meetings were held with the representatives of the Asian Development Bank (ADB) on the implementation of the “Diagnostic Research of the National Economy in Azerbaijan” project, as well as the “Evaluation of the Sector of Public Enterprises” project.

During the reporting period, the delegation led by Nariman Mannapbekov, Country Director, Azerbaijan Resident Mission at Asian Development Bank, discussed the ADB’s Country Partnership Strategy (2019-2023) and made proposals on the country’s priority development directions for investment and technical assistance activities in ADB Azerbaijan for the following years. At the meeting, the sides exchanged views on the projects implemented in the financial and energy sectors of ADB and discussed the possibilities of future cooperation in the field of Regulation Assessment, Know-how, Innovation and Technological Transfer in the field of SMEs.

8.1.4. Cooperation with the UN Development Program (UNDP)

During the reporting period, within the framework
of cooperation with the UN Development Program (UNDP), the Project on the preparation of the Center’s Strategic Plan for 2018-2020 was implemented and a draft Strategic Plan was developed and submitted on the basis of a broad consultation process with the Center’s employees.

During the reporting period, within the framework of cooperation with the UN Development Program (UNDP), a meeting of the Donor coordination body on the results of monitoring and evaluation of Strategic Roadmaps was held at the Center.

4.1.5. Cooperation with the European Union (EU)

During the reporting period, Executive Director of the Center made an opening speech at the “EU-Azerbaijan Business Forum” and informed about the Sustainable Development of Azerbaijan economy by giving preference to the non-oil private sector as a result of economic reforms conducted under the leadership of President Ilham Aliyev. At the event, as in the previous year, a presentation was made on Azerbaijan’s status of "The most reformist country" in the "Doing Business" Report and important reforms in the field of Starting Business, Construction Permits, Access to Credit, Encumbrance of Movable Property, Access to Electricity, Protection of Investors and Electronic Litigation in the last year.

4.1.6. Cooperation with the Organization for Economic Cooperation and Development (OECD)

During the reporting period, representatives of the Organization for Economic Cooperation and Development (OECD) in the Eurasian region Patrick Prozinski, Lisa Klinger and Daniel Quadbeck exchanged views on the work done in the field of Digital Trade at the “SINGLE WINDOW” Export Support Center.

Cooperation within the framework of the “Support for the Implementation and Monitoring of the Strategic Roadmap for the Development of Small and Medium-sized Enterprises (SMEs) in Azerbaijan” project of the Organization for Economic Cooperation and Development (OECD) was continued. Thus, presentations on Roadmap Monitoring and Evaluation were made at the Working Group meeting held in February and June of the project.

At the Center, a meeting was held with William Thompson, the Head of the Eurasia Division of OECD Global Relations Secretariat, and the country’s SME policy, Business and Investment Environment and cooperation opportunities in this field were discussed.

4.1.7. American Chamber of Commerce In Azerbaijan

During the reporting period, Executive Director of the Center presented a special edition dedicated to the reforms carried out in connection with the “Doing Business” Report at the working lunch event of the American Chamber of Commerce (AmCham) in Azerbaijan. At the event, the results of deep and systemic economic reforms led by President Ilham Aliyev in the first quarter of this year were presented. The event was attended by up to 200 AmCham members, members of the US Congress, representatives of the diplomatic corps and foreign guests.

During the reporting period, a meeting was held with BP delegation visiting Baku. Executive Director of the Center gave BP Group political and Economic Advisors Michael Danison and Julian Bowden, as well as BP’s Government Relations Advisor on Azerbaijan-Georgia-Turkey Gunesh Aliyeva detailed information about the economic reforms carried out under the leadership of President of the Republic of Azerbaijan Ilham Aliyev.

4.1.8. Cooperation with other organizations

In May 2018, Dmitriy Yartsev, Director General of British Standards Institution (BSI) MS CIS and Baltic countries, got acquainted with the activities of the “Single Window” Export Support Center. During the meeting, information was given about the activities of the Center, as well as the export potential of Azerbaijan and exported products.

During the reporting period, the Center held a meeting with George Darchia, Head of Research and Analytics Department at "Enterprise Georgia" in Georgia. At the meeting, the www.enterpriseazerbaijan.com portal that will inform investors about potential investment projects in Azerbaijan was introduced.

Executive Director of the Center received the delegation of the United States Agency for International Development (USAID) and the US Embassy in Azerbaijan. During the meeting held at
the Center, the parties discussed cooperation between the United States and Azerbaijan in the field of Economic Diversification.

Executive Director of the Center visited the city of San Francisco, USA. The purpose of the trip was to present the www.enterpriseazerbaijan.com investment portal to US investors. During the visit, Executive Director held meetings with the leading angel, seed-stage and venture investors in Silicon Valley and provided them with detailed information about the Portal.

During the discussions, opportunities for financing startup projects and business ideas in Azerbaijan were discussed.

At the same time, discussions were held on Crowdfunding and Crowdinvesting of the projects on the www.enterpriseazerbaijan.com portal in the USA. Executive Director of the Center also held meetings with representatives of the U.S. Commercial Service in Silicon Valley. During the general discussions, it was noted that the economic reforms carried out in Azerbaijan, public political and macroeconomic stability in the country and the infrastructure created, the country’s deployment in the East-West and North-South corridors expand investment opportunities in this country. Executive Director noted that during the meetings, the US investors were more attracted to the projects implemented in Azerbaijan, opportunities for business and access to regional markets.

Executive Director spoke about the innovative projects implemented in Azerbaijan, e-Government, Digital Trade Hub, etc. US investors noted that investors, especially those in Silicon Valley, are very interested in Innovative Development. The issues of Innovative Development, Technology Promotion, and Human Capital Development included in the Strategic Roadmaps implemented in this area were also discussed.

4.2 International trips

During the reporting period, Executive Director of the Center made business trips to France, Italy, and other countries and made presentations about the economic reforms in our country.

During the reporting period, Executive Director visited the UK and made a presentation ("Azerbaijan: Is it ready for International Investment?") on economic reforms in the country at the business workshop in London Stock Exchange (UK). Executive Director of the Center made a speech in a panel discussion "Recovery of Economic Growth after the Oil Period. Regrowth trends of the Azerbaijan economy” and informed about the new development trajectory of the Azerbaijan economy as a result of economic reforms carried out by President Ilham Aliyev. During the workshop, panel discussions on "Trade and investment relations of Great Britain with Azerbaijan", "Opportunities for international investments: Strategic Roadmap and main development sectors", "The most attractive economic sectors of Azerbaijan" were held.

During the reporting period, the representative of the Center participated in the discussion on “Digital future of Global Agriculture” in Estonia. The forum discussed the "Digital future of Global Agriculture". It should be noted that the main purpose of the Conference was to bring together Heads of Baltic countries, Eurasian Customs Union (EACU) member states, and Eastern Partnership countries to discuss the strategic development of Agriculture at political and administrative levels.

The Digital Trade Hub of Azerbaijan was introduced in the United States. From April 30 to May 2, “Connect:ID”, the leading global event on Biometrics and Identity Management, was held in Washington, DC. At the Conference and Exhibition held within the framework of the event, representatives of industry, government and ordinary consumers got acquainted with the latest projects and discussed issues related to the policies and technologies that formalize the concept of both Physical and Digital Identity. At the two sessions of the Conference, Azerbaijan was represented with the presentations of "Mobile Identitet: successful growth of social, financial and technological integration with “Asan Imza” in Azerbaijan" and "Digital Trade Hub of the government of Azerbaijan". Within the framework of the European project "FutureTrust", a revised model of Cross-border Electronic Services between the European Union and Azerbaijan was presented, as well as the possibilities of Cross-border Trade Cooperation with the countries of the American continent on the principle already existing with European countries was discussed.

During the reporting period, "Asan Imza" and "Digital Trade Hub" were presented at the largest-
Government Conference in Estonia. On May 29-30, 2018, in the capital of Estonia, the annual Tallinn Conference on "Governance for Digital Citizens" 2018 dedicated to the issues of provision of electronic services to citizens in the digital world was held.

Several world experts in the field of Digital Technologies were gathered at the Conference held in Estonia, as well as representatives from almost 80 countries, including Azerbaijan, were presented the latest trends in electronic Estonia. The key objective of the Conference was to help governments develop meaningful and future-oriented e-Services. At the same time, special attention was paid to the interests of citizens and users in cases where governments are concerned about the wide use of electronic services.

The reports of the delegation of Azerbaijan organized in collaboration with the Estonian Center of the Eastern Partnership of the European Union aroused special interest. Here, the innovations of Azerbaijan were presented by Yana Krimpe, Founder and Director of B.EST Solutions Azerbaijan - "Asan Imza" mobile e-Signature operator, member of Azerbaijan Innovations Export Consortium (AZINNEX) and Fariz Jafarov, Head of the "E-Gov Development Center" Public Legal Entity under the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan.

All innovative achievements of Azerbaijan, including ASAN concept, e-Government infrastructure, Digital Trade Hub, e-Services integrated with "Asan Imza" were presented in this panel.

The application of cross-border services on the basis of the X-Road Platform and close cooperation between Estonia and Azerbaijan in the field of e-Resident Programs were especially noted. It is worth noting that Azerbaijan is the first country to introduce an analogue of Estonia’s X-Road Platform. Finland, Ukraine, Mauritius, Namibia, and many other countries have already implemented this platform. Currently, discussions are underway on the application of the platform in Canada and Japan. Experts of the Conference discussed the possibilities of creating cross-border e-Services based on the X-Road Platform between Ukraine, Azerbaijan, Estonia, and Finland. Furthermore, Azerbaijan is considered to be the first country to implement the e- and m-Resident project, which provides digital mobile and e-Identity for citizens of other countries to apply for business in Digital Azerbaijan.

During the reporting period, Executive Director of the Center Vusal Gasimli participated in the event "Challenges for Vocational Education in the New Century” held in Italy by the European Training Foundation (ETF) and talked about Sustainable Development by giving preference to non-oil private sector of Azerbaijan economy as a result of economic reforms conducted under the leadership of President Ilham Aliyev.

During the reporting period, Executive Director of the Center Vusal Gasimli participated in the "Eurasian Week 2018" held by the Organization for Economic Cooperation and Development (OECD) in France and made a presentation on Azerbaijan’s "Doing Business” Report, its status of the most reformist country and Business and Investment Environment in the country.

The Head of Strategic Planning and Development Department of the Center represented Azerbaijan at the 2018 ADB-Asian Think Tank Development Forum, which was held in Australia on August 21-24, 2018. The Forum was organized by the Asian Development Bank (ADB) and Australian National University (ANU) in Canberra, capital of Australia. The Forum was attended by representatives from 28 countries and had a broad exchange of views on the development of Human Resources and skills for the future of Asia.
V. Communication activities

5.1. Public access to economic policy and reform measures

During the reporting period, proactive communication activities were carried out in accordance with the Charter. During the reporting period, active propagation was carried out through 20 Internet resources (6 new resources have been created) – www.iqtisadiislahat.org, www.ereforms.org, www.ecoreform.az, www.azexport.az created to cover economic reforms, decisions, and measures taken in Azerbaijan, as well as through Facebook (6 pages), Twitter (3 pages), Linkedin (2 pages), Instagram (3 pages), and Youtube channel. During the year, 138 news reports were transmitted to the press. These news reports are related to the economic reforms carried out in the country, the Center’s activity, the www.azexport.az Internet portal and the www.enterpriseazerbaijan.com investment portal, the Digital Trade Hub and the “Single Window” Export Support Center.

The news broadcast in Azerbaijani, Russian and English was watched not only in Azerbaijan but also outside the country - from the USA, Turkey, Russia, the United Kingdom, Germany, India, South Korea, China.

Social network. The Center has been active in social networks. Communication events are immediately broadcast on Facebook, Twitter, and Instagram pages.

The number of followers is 10 434 on Facebook (the Center – 5108, Azexport – 2231, the "Single Window" Export Support Center - 2771, CERAC interns 160, Enterpriseazerbaijan - 140, Digital Trade Hub of Azerbaijan - 24). On Twitter, the total number of followers on both iqtisadiislahat and enterpriseazerbaijan is 282.

The working principle on Twitter and Linkedin pages was built mainly taking into account foreign press.

Youtube channel. During the reporting period, performances of the Center’s employees in various media and related topics (interviews, reportages, and analytical programs) were posted in the Center’s official Youtube channel https://www.youtube.com/channel/UCRqqwouYQ0a5VVfEyLj4pw in the form of video.

Media monitoring. Media monitoring at the Center is carried out at the expense of internal resources, as in previous years. During the monitoring, the news posted on the Center’s websites was also covered by more than 819 media outlets.

The joint project "Made in Azerbaijan" of the Center and ATV continued this season as well. In the program, the work done through the www.azexport.az Internet portal, export statistics of Azerbaijan, propagation activities concerning “Made in Azerbaijan” brand are made public. This season, 36 programs were presented.

Reviews. A special presentation of the “Export Review” prepared by the Center to the media every month has already become a tradition. A briefing is held in each edition of the "Export Review" (once a month). In particular, the electronic media widely shed light on the information and statistical infographics contained in this Review. During the reporting period, 12 issues of “Export Review” were communicated.

Several editions of the “Reform Review”, which contain information on the contribution to the process of economic reforms in Azerbaijan, were published in three languages.

www.azexport.az Internet portal. Several important events related to the Portal were widely communicated in the press. A Memorandum of Understanding (MoU) was signed between the www.azexport.az Internet portal and VISA International, VTB Bank and, World Trade Centers Association (WTCA). Also, for the first time in the last 10 years, information on wool export to Russia has been widely communicated on TV and websites through the www.azexport.az Internet portal.

www.enterpriseazerbaijan.com investment portal. During the reporting period, the Presentation Ceremony of the www.enterpriseazerbaijan.com investment portal was held. Following the Presentation Ceremony, a Memorandum of Cooperation (MoC) was signed between the Investment portal and the "Enterprise Estonia" (EAS) Entrepreneurship Development Fund. Video production of this event, as well as 4 video clips demonstrated at the event, was made public on local TV channels (ATV, AzTV, ITV, CBC).
Digital Trade Hub of Azerbaijan. 2018 was a portentous year for the Digital Trade Hub of Azerbaijan. During this period, the 2nd International Conference of the Digital Trade Hub was held in October. During this conference, information about Azerbaijan being the first mobile resident in the world and the second country to offer e-Residency after Estonia was widely delivered to the media.

“Single Window” Export Support Center. During the reporting period, a special Activity Plan was implemented to inform entrepreneurs of the address of “Single Window” Export Support Center. A number of innovations related to the Center, communication of trainings and workshops, "live" broadcasting in social networks, participation of TV and press representatives were provided.

Social video clips. Throughout the year, the Center developed more than 16 video clips on "Doing Business" reforms, Digital Trade Hub, “Single Window” Export Support Center, the www.azexport.az internet portal, the www.enterpriseazerbaijan.com investment portal and other issues. More than 5 of these video clips were broadcast on TV channels.

Events and memoranda of the Center. The current reporting period was also remembered by the organization and joint organization of several high-level events. Azerbaijan Competitiveness Forum 2018 was held for the first time in Azerbaijan. The Conference with the participation of high-level officials was widely covered both in local and foreign media. Communication of the event with all media, as well as with other government agencies was provided. The Conference on "The opportunities for youth services in the digital age", III International Banking Forum, II Finance and Investment Forum (FIF2018) were organized in the same way.

During the reporting period, all necessary work has been done to cover a wide range of information related to the Center's signing Memorandum of Understanding (MoU) with the U.S. Business Council and BP.

Monitoring and Evaluation Reports of Strategic Roadmaps, Monitoring and Evaluation Institute at the Center. During the reporting period, annual Monitoring and Evaluation Reports of Strategic Roadmaps for 2017 were developed and the results were made public. Immediately after the Report was disclosed, a Communication Plan was developed and implemented. Following the pre-event press conference, the Center's analysts' participation in the analytical TV programs concerning Strategic Roadmaps was ensured, and various comments were communicated in the press. During this period, the Center was instructed to monitor and evaluate the implementation of measures related to the implementation of “The Employment Strategy of the Republic of Azerbaijan for 2019-2030” and “The State Program on expansion of digital payments in the Republic of Azerbaijan for 2018-2020”.

International trips. During the reporting period, the employees of the Center made repeated visits to USA, UK, Italy, UAE, Estonia, Russia, Georgia, Kazakhstan, Kyrgyzstan, Turkey, and other countries. During those visits, necessary communication works were carried out for dissemination of relevant information and images.

“Doing Business 2019”. Communication activity of the Center was carried out in connection with the “Doing Business 2019” Report most actively during the reporting period. After the declaration of Azerbaijan in the Report as the most reformist country in the world, a systematic Communication Plan was developed. Following the press conference organized together with the Administration of the President of the Republic of Azerbaijan, the Center's analysts participated in news releases and analytical programs, and various comments were communicated in the press.

Communication measures within the framework of cooperation with the Academy of Public Administration under the President of the Republic of Azerbaijan (DIA). On June 05, 2018, the Center together with the DIA conducted a distance training for local executive authorities on "Measures on the development of e-Government and transition to Digital Government". In the course of the training, employees of the Center delivered lectures on “The role of local executive authorities in the implementation of the Strategic Roadmap” and “Monitoring and evaluation of the Strategic Roadmap”.

In the training organized for the employees of local executive authorities, the Rector of DIA, academician Orkhan Alakbarov delivered opening lectures on “Inclusive Development and Innovative Management Technologies: experience of the
Republic of Azerbaijan”, and the Director of the Center Vusal Gasimli on “Strategic Roadmaps: Sustainable Economic Development and Social Welfare”. Then, employees of the Center delivered lectures on “The role of local executive authorities in implementation of Strategic Roadmaps”, “Monitoring and Evaluation of a Strategic Roadmap: interpretation of Monitoring and Evaluation results for 2017”.

On October 30, 2018, another distance training on “The role of local executive authorities in the implementation of a Strategic Roadmap” was held under the joint organizational support of the Academy of Public Administration under the President of the Republic of Azerbaijan (DIA) and the Center. The key objective of the training was to communicate to the audience the knowledge on the new directions of the country’s targets for Inclusive Development, the role of local executive authorities in the implementation of Strategic Roadmaps, Monitoring and Evaluation of these maps, etc., as well as to conduct exchange of views on such topics.

On December 20, 2018, a joint public lecture on “Strategic management of economic reforms: results and prospects” was held by the Academy of Public Administration under the President of the Republic of Azerbaijan (DIA) and the Center. In a lecture for undergraduate and doctoral students studying at DIA, Executive Director of the Center made a speech on the economic reforms carried out in Azerbaijan.

5.2 Overview of economic reforms in Azerbaijan

The purpose of the “Azerbaijan Economic Reforms Review” is to educate the society on the economic reforms carried out in the country, to assess the contributions of these reforms to the Economy, as well as to raise economic awareness on various topics.

The "Azerbaijan Economic Reforms Review" provides the latest information on institutional reforms carried out to improve the Business Environment in the Republic of Azerbaijan, strengthening social protection, and reforms carried out to improve the country’s position in international rankings. Also, special editions of the Review provide detailed and comprehensive information on individual topics.

Online subscription to the Review is possible and an electronic version of the Review is sent to subscribers’ e-mail addresses on a monthly basis. At the same time, "Azerbaijan Economic Reforms Review" is published by the Center and distributed among participants in conferences and workshops organized in the country.

During the reporting period, 7 issues of the Center’s "Azerbaijan Economic Reforms Review” were published. 5 of them are special editions on “Digital Trade Hub”, Fiscal reforms carried out in the country, the www.entrepriseazerbaijan.com Investment portal and “Doing Business 2019” Report.

5.3 Export Review

The Center’s “Export Review” has been regularly published on a monthly basis since April 2017. The purpose of the Review is to serve to educate entrepreneurs on Export, to increase opportunities for the traditional and new markets of local goods and to speed up the process of integration into international markets. On January 11, 2018, the “Export Review” magazine was included in the Register of Publications under N4160 by the Ministry of Justice of the Republic of Azerbaijan.

"Export Review" provides the latest information on the non-oil sector in the Republic of Azerbaijan, the ranking of export companies is compiled, the readers are informed about the export orders entered into the Internet portal www.azexport.az. The Review also provides information on the measures taken by state agencies in connection with the promotion of Export and comments on innovations in the field of legislation related to Export.

At the same time, "Export Review" is published and distributed among participants in conferences and workshops organized in the country. In addition, the latest issue of the Review has been presented to entrepreneurs using the services of the "Single Window" Export Support Center. Online subscription to the Review is possible and an electronic version of the Review is sent to subscribers’ e-mail addresses on a monthly basis. In January-December 2018, 12 issues of the Center’s “Export Review” were prepared and distributed. After each edition of the Review, press releases were sent to the media, these data were communicated to the audience through TV channels and using the opportunities of social media.