

## **Speech at the Asia Pacific Forum on Sustainable Development**

First of all, I will start with the statement that progress toward the MDGs has been largely positive in Azerbaijan. Over the 15 years, Azerbaijan had seen drastic reduction in the poverty level, new investments in social services, the establishment of a social security system, increased salaries, minimized gender disparities in primary and secondary education, improved access to water and reduced the spread of tuberculosis and malaria.

The new post-2015 Sustainable Development Goals (SDGs) which is a continuation and wider form of Millennium Goals in terms of development is a new task for the countries to continue their aims. Azerbaijan has already started the implementation of new reforms, programs in order to achieve the new SDGs which also corresponds closely with the new national development strategy.

In 2013, Azerbaijan had been chosen, as one of the 88 countries, to hold extensive consultations at the national and sub-national levels in order to feed into the Report of the Secretary-General of the United Nations and to kick start the national post-2015 priority settings. In 2014, Azerbaijan applied to lead a second round of Post-2015 National Consultations in the country to identify goals and strategies for the implementation of a new future development agenda. Azerbaijan was among 51 states that conducted such consultations in 2014.

These Post-2015 National Consultations in Azerbaijan were somewhat unique among the other consultations being conducted throughout the world in that in Azerbaijan they were concentrated on youth. In the MDGs framework, young people are seen as the beneficiaries of programs rather than their leaders, initiators, or innovators. Now young people are not just the recipients of

development, but vital partners who will ultimately be responsible for implementing agendas.

### **Ladies and Gentlemen,**

Azerbaijan is committing to promote exchange of experiences and best practices with other countries that contribute to social and economic development.

Moreover, during the recent years, Azerbaijan has demonstrated readiness to engage in South-South and triangular cooperation as means to share with developing countries the wealth of experience, technical know-how and expertise accumulated during the transitional years.

Azerbaijan is an upper-middle income country in the high human development category. It ranks 76 out of 187 countries in the Human Development Index.

Seizing the opportunity afforded by the oil boom, Azerbaijan initiated large public sector investment programs; supportive policies to increase wages; improve distribution of wealth; social protection transfers to the population, and institutional reforms aimed at modernizing the economy.

These efforts translated into an impressive reduction in poverty from 49% in 2001 to 5% in 2013. Still the figure varies around 5 percent. Tremendous progress has been made in eradicating extreme poverty. That is, in 2007 extreme poverty rate decreased to 0.1 percent whereas it was 10 percent in 2000. Currently, social protection policy is oriented to the improvement of the welfare of the vulnerable groups in the country. Moreover, the government's targeted social assistance program has been successful in channeling public transfers to the most needy.

As a result of these successful reforms, in 2013, Azerbaijan was among 20 out of 185 countries that achieved the objectives of the first of MDGs - "reducing hunger by half" according which has been awarded with a special prize of the Food and Agriculture Organization (FAO). Moreover, our president Mr. Ilham Aliyev had been awarded with the 2015 South-South Awards for his contributions to the improvement of welfare of the population, diminishing the illiteracy and poverty as well as the actions taken in the successful implementation of the MDGs.

### **Ladies and Gentlemen,**

As it is in the other member countries, to support Azerbaijan's achievement of the MDGs UN country team together with the Azerbaijani Government formulates a joint assistance strategy every five year which is called United Nations Development Assistance Framework (UNDAF).

UNDAF covering 2005-2010, was developed during the oil boom expectations, and accordingly the main focus was the improvement of the management of current and future oil profits.

The next UNDAF for 2011-2015 was also designed according to MDGs. In this framework, socio-economic development, strengthening of the governance and environmental protection issues were prioritized.

Recently, the new UN Azerbaijan Partnership Framework (UNAPF) for 2016-2020 has already prepared and agreed between the parties. This UNAPF) has been developed in compliance with the post-2015 development agenda and its new set of SDGs and national development priorities articulated in the "Azerbaijan: Vision 2020" Development Concept. The set of goals and strategic priorities in this document are directly related to 15 out of its 17 SDG goals. They all can be summarized in 3 broader groups that carry strategic priority: i)

promoting sustainable and inclusive economic development underpinned by increased diversification and decent works; ii) strengthening institutional capacities and effective public and social services; iii) improving environmental management and resilience to hazards and disasters.

### ***Economic diversification and inclusive growth***

Central to Azerbaijan's development is the diversification of the economy and create new and sustainable sources of growth to make it more competitive and inclusive. While there is an apparent commitment to diversification, limited progress has been made in diversifying the export away from its reliance on natural resources. 70% of GDP is generated in the non-oil sector in 2015 whereas it was only 40% in 2007. However the non-oil export was only 14% in 2015. Notwithstanding that the dramatic devaluation of the local currency (almost 50 percent devaluation over the last year) opened up some opportunities to increase the volume of exports.

Besides its own economy, Azerbaijan, simultaneously took a drastic steps to develop regional economy. The country thanks to its favorable geographic location and its huge infrastructure investments became a regional trade hub on the historical silk road connecting East and West, North and South. However, we must note that, occupation of Azerbaijani Nagorno-Karabakh and surrounding 7 rayons by the Armenian armed forces is one of the main obstacles to mutual cooperation of the region countries and their economic development. Unfortunately, Armenia still ignores the resolutions of the UN number 822, 853, 874, 884, and other statements, in which immediate and unconditional withdrawal of occupying forces is demanded.

While economic growth is critically important for Azerbaijan, the purpose is to ensure its sustainability and long term development.

Recent focusing areas are to secure the development gains already achieved by moving towards an efficiency-driven economy that is propelled forward by an educated workforce, to facilitate a dynamic and innovation-friendly business environment and bolster human capital through reforms in education, labor, and product markets.

Under the motto of converting black gold to human gold, the government began to invest oil revenues in human capital to achieve sustainable economic development. Since 2007, there exists state programme to support youth education abroad through the transfers from oil fund. The government continues to focus on developing human capital as a necessary prerequisite for a diversified, competitive and knowledge-based economy.

Despite all of these, gains have been uneven among the regions of the country. The **regional development** within the Country is an important component of sustainable socio-economic growth. The government targets economically disadvantaged geographic areas and seek to remove obstacles to a more equitable regional development. The priority in the regional development is the agricultural or industrial specialization of the regions.

I would also like to emphasize that the Government of Azerbaijan has demonstrated remarkable commitment to eliminate all forms of discrimination against women through creation of an enabling legal environment for the advancement of women. Each year more Azerbaijani women feel self-confident and ambitious for taking leading positions and running for political seats. According to the Central Election Commission's official statistics, municipal elections, held in December 2014 in Azerbaijan, resulted in an eight percent increase in women's representation across the country – from twenty-seven percent in 2009 to thirty-five percent in 2014.

### ***Institutional capacities and effective governance***

The second strategic priority is the need to further strengthen institutional capacities to formulate and implement public policies, which should be tackled through development of human resources for the public sector and expansion of 'e-government' as key areas for institutional reform.

Corruption is the most concerning problem and the Government is seriously fighting against it.

### ***Environmental degradation and vulnerability to natural hazards***

A third critical barrier to inclusive and sustainable growth is the country's increasing exposure and vulnerability to environmental degradation and natural hazards, exacerbated by climate change.

Still, Azerbaijan continues to face serious environmental challenges. Some 43 per cent of its territory is affected by land erosion and 20 per cent by salinization, reducing land productivity and negatively affecting the livelihoods of 37.0 per cent of the workforce employed in agriculture.

Azerbaijan is not a major greenhouse gas (GHG) contributor; it emits the same amount of carbon dioxide per capita as the average for upper-middle-income countries and half the amount emitted by high-income economies. However, considering the reliance of Azerbaijan's economy on hydrocarbon production, the Government works on to define new pathways to reduce the carbon footprint of economic development. Furthermore, government works on designing and implementation of mitigation actions in the energy sector including a green buildings programme and energy efficient transportation.

**Ladies and Gentlemen,**

The Government of Azerbaijan has pledged to address these development challenges including reducing socioeconomic disparities and enhancing environmental management. And achieving sustainable development in the country requires the full engagement of all stakeholders. Such joint collaboration will provide inclusive opportunities to make a positive difference in the future of Azerbaijan.

At the end, I would like to wish success to the work of our Forum.

Thank you all for your attention!

